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

MONDAY, FEBRUARY 4, 1974

Afternoon Sitting

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MONDAY, FEBRUARY 4, 1974

The House met at 2 p.m.

Prayers.

Mrs. P.J. Jordan (North Okanagan): Mr. Speaker, I'm sure you'll be pleased to know that in the gallery today we have Mr. and Mrs. Bernard Pow, who are citizens of the Okanagan Valley. I use the term Okanagan Valley because both Mr. and Mrs. Pow have a distinguished record of community service and service to the agricultural industry over many years, and their contributions have benefited all our lives in many ways in the Okanagan. We

consider them Okanagan citizens, if not, in fact, provincial citizens. I would ask you all to give them a very warm welcome this afternoon.

Oral questions.

INVOLVEMENT OF FINANCE MINISTER IN ASSESSMENT COMMISSIONER'S WORK

Mr. H.A. Curtis (Saanich and the Islands): Mr. Speaker, this is to the Premier, as Minister of Finance, with reference to a letter signed by the Assessment Commissioner, dated January 22, which is headed "For your guidance." It's addressed to assessors with copies to courts of revision. Was this letter sent out on the instructions or at the request of the Minister of Finance?

Hon. D. Barrett (Premier): The answer is no, Mr. Speaker. I have not instructed the chief assessor to send out any letters. The chief assessor, Mr. Percy Wright, was an appointment of the former administration. At the time of his appointment there was some question about politics, and at that time the former Premier announced the policy that he would not interfere with the workings of that assessor; and the former Premier kept his word. When we came to office, the same practice was continued, and at no time have I instructed the assessor to send out any material. So the answer is no; the continuation of the same policy is what has been the practice.

Mr. Curtis: Supplementary, Mr. Speaker, to the Premier: Do the facts contained in that letter of January 22 reflect a change in policy of the provincial government with respect to assessments?

Hon. Mr. Barrett: To tell you the truth, I haven't seen the letter of January 22. I knew that the letter was going out because I had received complaints and I forwarded those complaints to the department. But I have not interfered with that department, and I continue the practice of the former administration.

Mr. Curtis: Supplementary, Mr. Speaker, to the Premier, as Minister of Finance: Does the Premier feel that assessors throughout British Columbia have, in fact, wrongly interpreted some of the instructions and directions given in the course of 1973?

Mr. Speaker: That's hardly in order, as you know, Hon. Member.

Mr. Curtis: May I rephrase the question? Supplementary, Mr. Speaker.

Mr. Speaker: Well, I don't think we should engage in a debate, but if you have a question that is proper, or if it's a supplementary, yes.

Mr. Curtis: Does the Premier believe that some instructions given last year have been misinterpreted?

Hon. Mr. Barrett: It is my impression that some of them were. That's why I forwarded letters of complaint to the assessor's department. I have not interfered with the assessor's department or his interpretations. I made it very clear that the assessor was appointed after being a Social Credit MLA. At the time of his appointment, the former Minister of Finance said that there would be no political interference.

Now that former Socred MLA continued in his duties. He's still there and I carried on the same practice. If there was confusion about his memos, it's up to him to interpret. I've stayed right out of that and I've passed on complaints that I've received by mail, as I do with any other department; but at no time have I given him instructions or suggested what should be done. The misinterpretations were obviously there because of complaints that he's responded to, not because of any instruction that I've given him.

Mrs. Jordan: Supplementary. If, as the Premier says, he hasn't interfered politically in any way with the actions of the assessor, why is he on the air telling people, if they have a problem, to write to him personally and he'll intervene on their behalf? That's a straight political statement...

Mr. Speaker: Order, please! No speeches.

Mrs. Jordan: ...implying political help to those who write to you directly.

Hon. Mr. Barrett: Mr. Speaker, any person in this province has the right to write a letter to the Minister of Finance, or to his MLA. If that Member

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interprets her response to that constituent as a political response, that's her business. I respond as the Minister of Finance. If I receive complaints, I forward them to the proper department. I want to make it clear that the assessor was appointed by the previous administration right after he resigned as an MLA. Now there's been no interference with that.

Mr. P.L. McGeer (Vancouver–Point Grey): This is a supplementary question, Mr. Speaker. When the complaints regarding the meaning of the Act passed by this Legislature first began to pour in last July, at that time did the Premier forward to the Assessment Commissioner letters of complaint that he received, and did he at that same time forward to the assessor instructions as to the meaning of the Act that this Legislature passed?

Hon. Mr. Barrett: No. Mr. Speaker, I forwarded complaints to him and there's been no control by me to him. He is responding within his full authority. He has received no instruction from me. I want to make that very clear.

Mr. McGeer: Mr. Speaker, may I ask a supplementary question? Has the situation changed between last July and now so that the Minister of Finance, who offered no instructions last July, is now in effect offering instructions to the assessor — in fact, intimidating him?

Hon. Mr. Barrett: Well, Mr. Speaker, if there is a charge, then I would ask the Member to produce evidence. Otherwise he's being mischievous. I'm telling you that I have not interfered with that assessor, even considering his political past.

Mr. Speaker: Order, please! I draw to the attention of Members — it's a long-standing rule of the House — that neither the government or any Member is called upon to interpret the law; that's for the courts.

Mr. McGeer: A supplementary question, Mr. Speaker. Could I ask the Minister of Finance if he considers that the Assessment Commissioner's interpretation of the Act reflects on his time here as a Social Credit MLA?

Hon. Mr. Barrett: No. The man has served faithfully and in a manner of practice that we accepted as a government, and we did not change that practice. I want to make that perfectly clear. We have not changed the practice we inherited.

Mr. L.A. Williams (West Vancouver–Howe Sound): Mr. Speaker, to the Hon. Premier and Minister of Finance. In keeping with what has been the practice of this government, may we expect to see a post of Associate Assessment Commissioner created shortly? (Laughter.)

Hon. Mr. Barrett: Well, if you're applying for the job, you would have the requisites of the former administration, since you'd be a Member of this House.

An Hon. Member: He's not NDP.

Hon. Mr. Barrett: We're not biased; we hire other people.

Interjections.

Mr. G.S. Wallace (Oak Bay): To change the subject, Mr. Speaker, could I ask the Minister of Transportation and Communication and manager, or the Minister, in charge of the ICBC if it is a fact that Mr. Robert Adams, business consultant, had his contract terminated, and could the Minister tell us at what price the government bought

out the contract?

Hon. R.M. Strachan (Minister of Transport and Communications): I draw the Member's....

Mr. Speaker: Is it on the order paper?

Hon. Mr. Strachan: Yes. I would draw to the Member's attention that question 47 on the order paper refers to the same subject.

Mr. Speaker: Questions on the order paper are not susceptible to oral questions.

SUPPLY OF OCEAN FALLS NEWSPRINT TO THE VICTORIA EXPRESS

Mr. D.M. Phillips (South Peace River): I would like to address a question to the Hon. Premier, the Minister of Finance and director of Ocean Falls. Is it true that the *Victoria Times* is getting newsprint from the Ocean Falls plant? (Laughter.) *The Victoria Express*, I'm sorry.

Hon. Mr. Barrett: I haven't read the *Victoria Times* lately, so....

Mr. Phillips: *The Victoria Express*.

Hon. Mr. Barrett: And to correct him further, I am not a director of Ocean Falls.

Mr. Phillips: Is there anybody in your cabinet over there today who is? It is very difficult to keep up with all these changes.

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Hon. Mr. Barrett: Well, if you don't read the paper, I can't help you.

Mr. Phillips: That's the only way you find out, isn't it, Mr. Premier? By reading the paper.

COMPLETION DATE OF SQUAMISH RAILCAR PLANT

Mr. L.A. Williams: To the Hon. Premier: could the Premier indicate what the current date for completion of the B.C. Rail car plant in Squamish is now?

Hon. Mr. Barrett: Thank you, Mr. Member. I don't have the specific date, but I anticipate sometime this spring. The target date, originally, was January 1. Then I was given a later date in March and I've had no alteration of that March date. There is a complication because of the worldwide steel shortage.

Mr. L.A. Williams: A supplementary, Mr. Speaker, to the Premier: following the completion of the plant, have you any indication as to when the first car will be rolling off the assembly line?

Hon. Mr. Barrett: No, Mr. Member, I will take it as notice and give you the information.

LIFTING OF DELTA WILDLIFE MANAGEMENT RESERVE

Mrs. Jordan: Mr. Speaker, in the absence of the Hon. Minister of Lands, Forests and Water Resources (Hon. R.A. Williams), I would like to direct my question to the Hon. Minister of Municipal Affairs (Hon. Mr. Lorimer) and member of the board of directors of Hydro, and co-conspirator in the lifting of the game management reserve...

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Mrs. Jordan: ...north of Roberts Bank, in the Delta area. In view of the fact that both Ministers have stated publicly that the reason for lifting this reserve on the third of the most important wildlife management reserves in the lower mainland is for the laying of an electrical cable across to Vancouver Island, I would ask why, in view of the limited land needed to lay such a cable, he lifted the reserve on the whole of over 8,000 acres.

The second part of my question: why did this Minister or the Minister of Lands, Forests and Water Resources not consult the municipality of Delta, the Greater Vancouver Regional District, the Canadian Federation of Wildlife, Environment Canada or the regional office of the British Columbia Department of Fish and Wildlife?

The third part: what is the initial...?

Mr. Speaker: Order, please. One question at a time. I've seen difficulties occur because of two questions in the same train. Did the Hon. Minister wish to reply?

Hon. J.G. Lorimer (Minister of Municipal Affairs): I think I'd better take that as notice, and if you'd give me a note of what you want I'll try and answer it for you tomorrow.

Mrs. Jordan: Well, perhaps, Mr. Minister, you would be prepared to answer directly on the basis of your statement to the press on Saturday. It says: "Municipal Affairs Minister Jim Lorimer said Friday that future development of the area is a possibility." Could you tell me, in view of the lifting of the reserve, what is the zoning of this land today?

Hon. Mr. Lorimer: Well, generally the area that you are talking about is an area outside the dykes, which is presently under water. The transfer was made from the Department of Lands to the B.C. Harbours Board. My understanding is that the Wildlife people were in consultation, were in agreement with the change. I personally didn't discuss it with the Wildlife people, but I understand it was done. The possible development that was referred to was the possibility of further development on the Roberts Bank causeway.

Mr. Speaker: The Hon. Member for Vancouver–Point Grey I think is next.

Mrs. Jordan: May I have a supplementary?

Mr. Speaker: I think that notice has been given and it can then be asked when the reply is given to your notice.

DISTRIBUTION OF LITERATURE IN BY-ELECTION CAMPAIGN

Mr. McGeer: Mr. Speaker, I'd like to ask the Minister of Human Resources if the Government of British Columbia has supplied any literature at government expense for distribution by the NDP campaign workers in North Vancouver–Capilano.

Hon. N. Levi (Minister of Human Resources): Mr. Speaker, to my knowledge, no. Do you have any specific...?

Mr. McGeer: Well, Mr. Speaker, I'd like to ask the Minister how it was that this Pharmacare

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brochure of the government was distributed to homes in Point Grey by Mr. Bob Douglas, an NDP campaign worker, and other campaign workers. Where did that material come from?

Hon. Mr. Levi: Where is this? Point Grey or North Vancouver?

Mr. McGeer: North Vancouver—Capilano.

Hon. Mr. Levi: Well, I have no knowledge of this, but I'm quite prepared to find out and inform the House tomorrow.

Mr. Wallace: Mr. Speaker, I ask leave to move adjournment of the House to debate an issue of public importance, the issue being the matter of the confusion and hardship resulting from the assessment crisis in the province.

The situation, I believe, Mr. Speaker, warrants debate at this time for several reasons, if you will permit the motion.

Mr. Speaker: I think what is required at this time is the reason for urgency, so that we can determine whether it should get priority over other business or go on the order paper.

Mr. Wallace: Certainly, Mr. Speaker. Well, in our opinion the reason for urgency is that certain instructions or at least recommendations are being made by the Minister of Finance (Hon. Mr. Barrett) in good faith, but at a time when courts of revision are already functioning as a legally appointed body all across this province, and it seems to us that there is inevitably such confusion in relation to these suggestions to the courts of revision or at least to the assessors....

Mr. Speaker: May I interrupt? Do you have a copy of the matter in writing for me to study?

Mr. Wallace: Well, we have two or three pieces of material.

Mr. Speaker: I think if you read the rule, it says that you must send up to the Speaker a written statement of the matter so that he can consider the requirements under the rule.

Mr. Wallace: Well, Mr. Speaker, I have two communications. One is from the assessment commissioner to all assessors, with a copy to the courts of revision, and I have a letter from the Minister of Municipal Affairs (Hon. Mr. Lorimer), and I have two newspapers which have large, front-page headlines talking about huge errors in assessment. I suggest that that is substantive material to back up my request.

Mr. Speaker: What it says in standing order 35 is that he sends a written statement of the matter proposed to be discussed to Mr. Speaker who, if he thinks it is in order and of urgent public importance, reads it out and asks whether the Member has leave of the House. So it appears to be a matter of complying first with standing order 35. I'm not interested in newspapers; I'm interested in a written statement from a Member outlining in brief what the purpose of the motion would be.

Mr. Wallace: The written statement I sent up is in the form of a motion outlining the reasons, Mr. Speaker, for the debate.

Mr. Speaker: I think the real question to which one addresses himself here is whether there is any urgency. It may be of public importance, but the real question is: is there any urgency today to adjourn the House to debate the matter today?

Mr. Wallace: Well, with respect, Mr. Speaker, I might just say that in our opinion the very fact that the courts of revision are making decisions already, at this point in time, with the confusing statements that have been issued and letters written by the Minister of Finance, and statements from the commissioner himself of assessments, suggests that there is some urgency to clarify the work of the courts of revision.

Mr. Speaker: As you know, Hon. Member, the rule of the House and the rule of parliament is that if there is any access to immediate debate in the days ahead, then the motion would not be acceptable. If there were no other way of debating it, then there may be a consideration of urgency, but as you know, we have now embarked upon the

throne speech debate. Indeed, the Hon. Member who has risen in his place will be, I understand, speaking today. Consequently, anything that you wish to raise now, you are at liberty to raise at large in your own speech today, so it is a matter of minutes, really.

Mr. Wallace: Except that then the remaining Members of the House are not entitled to take part in such a debate.

Mr. Speaker: Any Member of the House can take his place in the throne speech debate or debate on amendments thereto. Consequently I cannot see the urgency, at this moment in time.

Mr. J.R. Chabot (Columbia River): Did he vote against the legislation, or did he support it?

Mr. Phillips: He supported it!

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Orders of the day.

SPEECH FROM THE THRONE

(continued debate)

Mr. W.R. Bennett (Leader of the Opposition): Mr. Speaker, in rising to take my place in the throne speech debate, I'm conscious of the fact that I'm following a great political tradition of leadership in this province. I'm referring, of course, to the position of Leader of the Opposition, following in the tradition of such leaders as Harold Winch, Robert Strachan, and others. (Laughter.)

In researching as to how to conduct this debate, I thought I would look back through previous *Journals*, previous reports of throne speech debates and previous motions, and I found that the Hon. Mr. Strachan, Mr. Strachan as he was then, moved an amendment in 1962 that might be applicable today, if I cared to move it. It was this:

"...but we regret to advise His Honour that the Members of this House are of the opinion that he has been receiving unsound advice from the executive council..."

An Hon. Member: Oh, oh!

Mr. Bennett: "...and we are of the opinion that the present government has violated the trust of the people by disregarding the election mandate and acting contrary to their announced intentions. This has created much uneasiness and disturbed all sections of the community.

"They have undermined our constitutional procedures by constant failure to consult this Legislature on fundamental issues."

Hon. R.M. Strachan (Minister of Transport and Communications): What page of *Hansard* is that?

Mr. Bennett: This is from the *Journals* of the House.

Interjections.

Mr. Bennett: Is it all right if I continue?

"We wish to advise you that the Members of this House have no confidence in the present government."

We've had many such motions over the years from the former leader of the New Democratic Party, the former opposition leader in this House.

But I felt that in researching my position I should not go back so far; I should research the role of the Leader of the Opposition as it was practised by the present Premier, and I've tried to prepare myself as thoroughly as possible in doing this. To say the least, Mr. Speaker, I've found some of his statements, while he was Leader of the Opposition, to be most illuminating in light of the policies of the present government. I would say that he seems to have suffered a slight lapse of memory during his short trip across the aisle.

For example, Mr. Speaker, in his remarks during the throne speech debate in 1971, the present Premier spoke in what I think was a very admirable and admiring manner about saving seniors. He talked about those people who have been consciously aware of their responsibilities as citizens, and have put money aside for a rainy day — those people who have never been a burden on the taxpayers as welfare recipients.

He went on to rap the knuckles of someone whom he describes as "spent as he went along and maybe could have saved something but didn't, and is immediately able to receive social assistance." And he goes on to mention how it punishes those people.

Can this be the same man, Mr. Speaker, who advised people, after he became Premier: "Sell your little home, take a trip to Hawaii, and live on Mincome."? Can this be the same leader whose government ladles out Mincome and Pharmacare to new people of this province after only 90 days, at the expense of people, as he said, "who worked hard and were consciously aware of their responsibilities and put money aside for a rainy day"? Is this the same man, Mr. Speaker?

And now again in 1972, Mr. Speaker, the then Leader of the Opposition stated very righteously during the throne speech debate about work and wages — what he wanted in this province, He said: "We want some work and we want wages in this province; we don't want welfare." He went on to talk about the great welfare expense that was going on. Yet here in the Blue Book, just published the other day, I find out the same waste in welfare he talks about is \$32 million overspent.

Interjection.

Mr. Bennett: In your own *Journals*. Is this the same man, Mr. Speaker, who was so concerned about the expenditure of welfare in those days? Can this be the same opponent of welfare who's running a personal welfare programme for press agents right in his own office?

But even back in those carefree days, Mr. Speaker, when he was Leader of the Opposition, the present Premier fancied himself as quite a businessman — a businessman with quick solutions to all our economic problems.

In 1971 he proudly announced that he was going to bring an automobile industry to British Columbia.

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Mr. Chabot: Where is it?

Mr. Bennett: 1971. He says: "I wrote to the Datsun Motor Corporation, and I wrote to the Toyota company, and I'll read to you that letter I wrote to the president of Toyota motors" and he goes on and on and reads his whole letter as part of his speech, Mr. Speaker. Then he goes on to say: "But, Mr. Speaker, I'm happy to announce as Leader of the Opposition that I have been able to enter negotiations with the Datsun Corporation." Then he goes on to say: "...but the Toyota company has gone even further." Now, this is 1971. And then he goes on and he buttons up his argument by saying: "And that's the least we can do, Mr. Speaker, on behalf of the British Columbia people. That's the least we can do." You're right; it's the least.

Where is the Toyota plant? Where is the Datsun plant?

Mr. J.R. Chabot (Columbia River): Straight hot air.

Mr. Bennett: One firm result we've seen from all this grandiose round of negotiations was the transfer, just

last month, of the Datsun advertising account out of Vancouver to an eastern firm. The reason given, Mr. Speaker, was: that's where the Datsun plant is located. That's where these 300 or 400 jobs that the present Premier and former Leader of the Opposition announced he'd secured for the people of British Columbia in 1971. The least he could do, Mr. Speaker, is to arrange employment for those advertising people who lost their jobs in Vancouver because this plant is not in the west. Perhaps arrange employment with the Dunskey advertising agency.

Interjections.

Mr. Bennett: Oh, one could go on at great length, Mr. Speaker, to remind the Premier of the discrepancies between what he has said and what he has done. You may rest assured that during the throne speech, and further in this House, the Members on this side of the House will jog his memory from time to time and bring attention to the public of the flip-flop actions of this Premier and former Leader of the Opposition.

For the moment, I'll remind him of just one more speech, from 1972. Here he was promising another industry. What was he promising this time? What was he talking about? He talked about: "What is the reason we don't have ship building in this province, a steel mill in this province, a copper smelter in this province?"

An Hon. Member: A steel mill?

Mr. Bennett: "What is the reason?" Good question, Mr. Speaker, and the people of the province are awaiting some good answers. This government, after three sessions and 18 months can no longer take refuge and say: "After all, we're a new government; give us a chance. Trust me. Trust us."

Mr. D.M. Phillips (South Peace River): They don't say "trust me" any more. That went out the window. They sure dropped that one in a hurry.

Mr. Bennett: But the blunt fact of the matter is that, with the exception of countless boards and commissions, task forces and committees stuffed to the brim of the pork barrel, with party hacks, this government has done absolutely nothing after three full sessions, 18 months, to create new industries for this province — new industries that will create new jobs; new industries that will create taxes to provide the social benefits for all our people.

Hon. D. Barrett (Premier): What is the unemployment rate in B.C. today?

Mr. Phillips: You should know, you hired them all.

Mr. Bennett: Well, I've only been in government, as the Premier knows, since last September. But when I've been part of the House for 14 years....

Mr. Chabot: How many civil servants have you hired — 9,000?

Mr. Bennett: But when I've been part of the House for 14 years, I'll be able to look back — in fact, spend all my time looking back. (Laughter.)

I'm only trying to jog the current memory of the present Premier.

Hon. Mr. Barrett: What's the unemployment rate today?

Mr. Bennett: What does this Premier say about the throne speech in 1971? I think it's so applicable today. What did he say? He said that the throne speech is a tired, useless hollow document produced by a government that sits with 38 seats. That it's forgotten the little man and has forgotten the reason that it was elected in the first place.

That might be a good summation of this throne speech that the Lieutenant-Governor read the other day.

Hon. Mr. Barrett: What was the unemployment rate then and what is it now?

An Hon. Member: Who said that?

An Hon. Member: A Member under a scathing attack.

Mr. Bennett: And I wonder why the Member for Delta (Mr. Liden) had such a difficult time. I felt sorry for him having to move that eight-minute-wonder, that eight-minute throne speech — why he talked about everything else under the sun, why the Member for Esquimalt (Mr. Gorst) looked even more uncomfortable. Knowing that he's now not going to make it to the cabinet and time running out on trying to set himself up as the head of the capital commission, he talked about saving energy by bathing together. He was applying for the job of ringleader of the Saturday night bathtub club. (Laughter.)

Interjection.

Mr. Bennett: But, Mr. Speaker, this government took office on a promise, among other promises, that it would be an open government, responsive to the Members of the Legislature who are the people's representatives. But each passing month it is becoming evident to all of us that this is a government of secrecy and censorship.

The Premier of the province stated last year in this House that he was fundamentally opposed to orders-in-council. I quote from *Hansard*: "It is not a healthy pattern; it is not a good pattern. If used frequently and unwisely it can damage the whole legislative process that we are committed to in this beautiful province of ours." He says, "I've debated in this House against orders-in-council." Well, already this government has passed nearly 5,000 orders-in-council.

An Hon. Member: Oh, oh!

Mr. Bennett: Five thousand orders-in-council. A new, indoor order-in-council record, Mr. Speaker — 5,000. While many of them were, of course, routine, many, many more of them deserve utter and complete condemnation because they have made a mockery of this government's claim to be responsive to the Legislature and because they are being systematically distorted and suppressed with censorship.

I readily admit that censorship might be a strong word, but what else have we to say about a system that now requires anyone who wants a full copy of an order-in-council to fill out a requisition? A requisition that you might sign your name, the day, the month, the year, the department, your telephone number, the number of copies, who they're to be sent to. This isn't legislation by exhaustion; it's censorship by exhaustion.

An Hon. Member: Hear, hear!

Mr. Bennett: Of course, there's another way, as of last month, to obtain some of this information, Mr. Speaker, without all the bothersome red tape; but only if we accept the summary of the government's version of each order-in-council which is now prepared so helpfully in the office of the Provincial Secretary.

If you happen to be such a fuss-pot that even this tidy little summary doesn't satisfy you, why, you can phone over to one of 26 carefully-selected civil servants to presumably answer any other question. Are they going to have to deliver the government line, the government synopsis on these orders-in-council?

In short, Mr. Speaker, you're encouraged to do almost everything the easy way, just so long as you don't ask for the order itself because then comes the hard way. But considering the manner in which some of these government's orders are worded, I believe it might be better for the Member's blood pressure if they remain secret because, frankly, they constitute an open invitation to irresponsibility and waste.

I want to bring attention to just one order-in-council that came to our attention lately: a routine little order concerning one of the imperial suites which the cabinet Ministers have for their quiet enjoyment, Mr. Speaker. The order-in-council was No. 3887 and it was for the new pad of the Minister of Industrial Development (Hon. Mr. Lauk). And what is it for? It's for \$86,000 for the cost of new furniture, et cetera. Well, Mr. Speaker, no shipping clerk worthy of his job, let alone a Minister of Finance who has signed this order both as Minister of Finance and as

presiding member of the executive council, would sign an order of \$86,000 worth of furnishings, et cetera. Just what is this "et cetera" for? Is it for paper clips, paper dolls, dancing girls?

As I said, the situation would be laughable if it weren't so serious. Because it is serious. This is the allocation of the public's money by order-in-council for things marked "et cetera."

Hon. A.B. Macdonald (Attorney-General): Drop into the office and look around.

Mrs. P.J. Jordan (North Okanagan): Why don't you let some of the welfare people in?

Mr. Bennett: This open government, this responsive government has displayed almost from the moment it took office a total lack of understanding of its role as a trustee of public funds. That may be funny to the Premier as the clown prince of British Columbia but it certainly isn't funny to me. It shows a total disdain as a trustee of public funds and a total disdain for the Members of this Legislature who have a responsibility to share that trusteeship. They've

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done it by using the very weapons, by using orders-in-council. The Premier spoke about bleeding hearts. His bleeding heart used to bleed all over the floor when he was Leader of the Opposition.

One year ago, Mr. Speaker, this Premier, this Minister of Finance brought down his first budget, his spending estimates for the next 12 months. Now, I wasn't here, but the record will show that my colleagues and, indeed, all private Members of the House, faithfully debated, criticized this budget and reviewed the document at length. That was their responsibility.

But the entire exercise was a sham, Mr. Speaker, because the document was a sham. The so-called budget was never intended to be a guide to the government's spending plans. We know that a little more than three months after this budget was passed this government authorized over \$25 million worth of special warrants and expenditures which weren't included in that budget. That figure of special warrants for expenditures not included in the budget is now over \$110 million. They did it all by that device which horrifies the Premier: the order-in-council, the censored order-in-council which says little and hides all, et cetera, et cetera.

Now, Mr. Speaker, we might be able to take some small comfort, some tiny glimmer of hope in the way our money is being shoveled out by the government if only we could bring ourselves to believe that the Premier of this province is the financial genius he claims to be. Certainly he's tried to reassure us over and over again about his financial capacity, as modest as Muhammed Ali when it comes to that subject. (Laughter.)

Moreover, when he committed his government last April to a policy of dabbling in the stock market with the taxpayers' money, he gave this House every assurance known to man that he would be prudent and cautious. I quote from *Hansard*: "Now, there is no way that this government intends to go into a massive investment in the open market. None whatsoever. We want to be free enough to make decisions based on caution and prudence to protect those funds and still have a better return on that money." That's what he said: "a better return" — a very key word — "a better return on that money" than they could get elsewhere.

Then he goes on to say: "I appreciate the comments made by Members of the opposition, but I assure you that the idea that there will be reckless investments or investments made with gay abandon is a little bit much."

He talks about not making reckless investments in unknown gold mines; the procedure will be through the Minister of Finance — some security the people have — through the Minister of Finance and the Treasury Board. He talks about how he's going to be prudent with the people's money.

Would he care to say a few words about Westcoast Transmission now, Mr. Speaker?

Hon. D. Barrett (Premier): A good investment.

Mr. Bennett: Best return on the money. What return does it make on the money?

Hon. Mr. Barrett: Nine and one-half per cent guaranteed.

Mr. Bennett: No way. I'm glad we smoked the Premier out. In dividends, Mr. Premier?

Mr. G.H. Anderson (Kamloops): Guaranteed.

Mr. Bennett: "We will be cautious," he said. "We will not be making reckless investments." Would he care to say a few words now about Dunhill Development? Perhaps with the new Housing Minister (Hon. Mr. Nicolson) it should be calling "Downhill Developments." (Laughter.)

I'll have a few more words about those transactions and the Premier's guaranteed dividend of 9½ per cent a little later, Mr. Speaker. But first of all I want to acknowledge — and I'd be remiss if I didn't — the fact that the Premier isn't going to stand pat on his own reputation as a great businessman; he's going to share the burden with two resident financial wizards from right inside his own office. Two resident financial wizards, both of them, we must assume, have impeccable credentials for the job which, as we understand it, the Premier has charged them: to ferret out even greater Dunhills as vehicles for the investment of the taxpayers' money.

The exact duties of the executive assistants, the administrative assistants, the personal assistants, the assistants to the assistants' assistants in the Premier's office have never been fully explained, although we do know that one of them seems to function as perhaps the highest-priced chauffeur in Canada.

Hon. Mr. Macdonald: Tell us about your assistants; you've got a couple.

Interjections.

Mr. Bennett: Well, at any rate, Mr. Speaker....

Mr. Phillips: Going to get them to report the interest rates?

Mr. Bennett: At any rate...

Mr. Speaker: Order, please. One at a time.

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Mr. Bennett: ...we're advised that one of the new financial wizards, a Mr. Thom, has been employed up until now in translating the avalanche of French language letters which reached the Premier's office in increasing amounts.

An Hon. Member: *Pourquoi?*

Mr. Bennett: And by the way, this job used to be done as a matter of routine in the Provincial Library. They used to receive maybe two such letters a month.

Mr. Chabot (Columbia River): The separatists are writing now though.

Mr. Bennett: But the other new financial wizard, Mr. Peter McNelly, is even more fascinating because of the credentials he brought to this highly responsible job of ferreting out new financial investments for the people of British Columbia. This new job which he came to via the United States seems to involve his loyal and steadfast support when he was a member of a Vancouver newspaper.

But a funny thing happened on the way to Mr. McNelly's new job; it happened in fact the very day that his appointment was announced. I'd like to read a nice contrast. Here is a "help wanted" ad, *The Province*, British Columbia, and it says:

"For a research officer, Department of Finance, Victoria. Under direction, to carry out research projects in the general field of finance. To prepare comprehensive financial and/or statistical reports and investigations conducted, including an analytical interpretation of findings. Requires university graduation in economics, finance or related fields and preferably a minimum of four years practical experience. Starting salary \$727 to \$1,048 a month."

Mr. Phillips: Is that Canadian funds?

Mr. Bennett: Mr. Speaker, the very day that Mr. McNelly got his job at \$21,500...and I'm not blaming him if he doesn't have the credentials that were advertised for this office because certainly nobody can criticize Mr. McNelly. After all, he wasn't required to enter a civil service exam; his job was handed to him. But what a contrast: \$8,700 a year versus \$21,500. And look at the difference in requirements, responsibilities and credentials.

Mr. D.A. Anderson (Victoria): Is he underpaid?

Mr. Bennett: Who?

Mr. D.A. Anderson: McNelly.

Mr. Bennett: I don't know what he was getting before. I'm talking about a responsible finance officer in the Province of British Columbia — \$8,700 a year.

Mr. Phillips: Versus \$22,000 for McNelly?

Hon. Mr. Macdonald: What happened to Grace?

Mr. Phillips: Huh?

Hon. Mr. Macdonald: Where's Grace?

Mr. Bennett: You say it just before dinner. (Laughter.)

Interjections.

Mr. Bennett: Oh, I'm going to mention you, the Second Member for Vancouver—Little Mountain (Mr. Cummings).

But how in the name of logic or sound business practice or simple justice can this government advertise for competition the one job calling for high qualifications at this low amount and Mr. McNelly get his at \$21,000? Everyone in this House knows the answer...

Mr. Chabot: He writes better columns. He writes good columns in the newspaper.

Mr. Bennett: ...because when this government took office it embarked on the greatest programme of political patronage ever seen in the history of the province or any province in all of Canada.

An Hon. Member: Hear, hear!

Mr. Chabot: Another Joey Smallwood government!

Mr. Bennett: Should we read all the names and the salaries and the positions?

Interjections.

Mr. Bennett: If there remains anywhere in the province an NDP hack who isn't on the government payroll, the Wildlife Branch should earmark them as a declining species — a nearly extinct species, although I guarantee that the people of British Columbia won't allow that situation to go on much longer.

That's the species, Mr. Speaker, which is now sharing with the Premier the serious responsibility of spending public money in the most volatile financial

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arena of them all, the stock market. They're committing both general revenue and the funds of the pension accounts in the Province of British Columbia — they're committing those to the purchase of equity shares.

Just an example: why did this government offer \$4.28 a share to an insider group which controls Dunhill Developments on the very day that those shares were trading at \$2.25 on the Vancouver Stock Exchange? Was this at the advice of the resident financial geniuses or was this the Premier and Finance Minister in solo flight? Why is it offering to pay nearly \$6 million for the common shares of Dunhill Developments? Was it for the development properties as they suggest? Because I know one property in question, which they describe as waterfront property just outside the City of Kelowna, is a barren rock, unsuitable for any development. And if this is an example of the landbank they purchased when they bought Dunhill, I feel fear for the people of the province. I fear for the housing corporation and its tremendous housing programme, which is non-existent, on the type of lands that Dunhill brings as a landbank.

Mr. Phillips: That's the most expensive rock heap in British Columbia.

Mr. Bennett: That's right!

An Hon. Member: Now you've got a piece of the rock.

Mr. R.H. McClelland (Langley): Ask them the real reason they bought Dunhill.

Mr. Phillips: What's the other reason?

Mr. Bennett: Now Dunhill Developments has been very busy....

Interjections.

Mr. Bennett: I don't intend to enter a slanging match with the Member opposite because he's had more practice and I'd hate to be held in the same opinion as the public holds him.

Mr. Chabot: The old banana salesman. He used to sell bananas in Fiji.

Mr. Bennett: Dunhill Developments has been very busy lately building condominiums, Mr. Speaker. Not low-cost condominiums for the masses, but condominiums in the \$45,000- to \$50,000-a-year range. As I've said, is that the expertise this government bought? If it wasn't a landbank, was this the expertise it bought for \$45,000- to \$50,000-a-year condominium construction? Is this going to solve housing problems for people on limited incomes?

Can you explain, at the same time, if Dunhill was bought for investment — if it wasn't to solve the landbank, because the land it owns is no good; it's not going to solve the housing crisis because the team isn't geared to building low-cost condominiums.

Could the Premier and Minister of Finance tell me about the great benefits that it could accrue to, say, the pension funds if this became a pension fund investment from the dividends that this particular company is generating? In 1973 it paid a dividend of 10 cents a share. Now, based on the government's offer of \$4.28 a share that works out to a yield of 2 per cent. Two percent, Mr. Premier; would that make a good pension fund investment? Would that make a good investment for the people of British Columbia out of their taxes — 2 per cent?

But based on the company's own optimistic forecast, in unloading this to the government, of doubled earnings in 1974, the yield would still be something under 4 per cent as a dividend. Four per cent — isn't that under the minimum that was to be guaranteed for pension funds? Is that a wise investment, a sound financial investment? "We will be prudent with the people's money; financial genius at work!"

Hon. Mr. Barrett: How much did you get out of the Bank of B.C.?

Hon. Mr. Strachan: \$39 million of public funds!

An Hon. Member: It still beats some of the other investments.

Hon. Mr. Barrett: 10 cents dividend. 10 cents!

Mr. Chabot: Are you going to compare the prospects of Dunhill to the Bank of B.C.? There's no comparison and you know it! You know it. Go back and sell some more bananas.

Interjections.

Mr. Bennett: Touchy, touchy. Personal attacks on people who can't defend themselves. The typical example of the Premier when he can't justify his own financial ineptness.

Interjections.

Mr. Bennett: I'm not a director of the Bank of B.C. I don't deal with the bank.

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Interjection.

Mr. Phillips: Are you against the Bank of B.C.?

Mr. Chabot: He's against the Bank of B.C.!

Mr. Bennett: Mr. Speaker....

Mr. Phillips: He's attacking the people's bank!

Mr. Bennett: Mr. Speaker, we want accountability for your stewardship of the people's money.

Mr. Chabot: Hear, hear!

Mr. Bennett: And your flippant remarks aren't going to take away the spotlight.... "Financial genius; sound investments; we'll be prudent; we'll be prudent; 2 per cent return." Two per cent return.

Mr. Phillips: Just up the assessment!

An Hon. Member: Just change the zoning.

Mrs. Jordan: Then blame everybody else.

Mr. Bennett: As I was saying, Mr. Speaker, these types of investments — these investments at 2 per cent return are not dealing with the people's money prudently. They wouldn't be allowed in the pension funds and they shouldn't be allowed this in the funds of consolidated general revenue.

Now, in the matter of Westcoast Transmission shares, Mr. Speaker, the government did buy those at market. I must find out — they must have been getting better advice by the time they got to Westcoast because they did pay market price. Normally in a block trade of that size, a negotiated price is reached. A negotiated price that is normally lower than market for obvious reasons. But if the seller otherwise had to toss that amount of shares on the market he would force the price down.

But at least the Premier didn't do a "Dunhill." He didn't pay double the market value. He paid market value. To be fair, he even improved on his Ocean Falls performance where he paid \$1 million for a firm that was written

off, going to be abandoned, a total write-off. It still will have to be abandoned some day when pulp prices ease, or more public money will have to be poured into it to protect a bad investment.

[Mr. Liden in the chair.]

Interjection.

Mr. Bennett: Crepe hanger? Is being concerned about the public expenditure crepe hanging? Is asking for financial responsibility crepe hanging? Oh, wait till we get to ICBC. (Laughter.)

But to get back to Westcoast: he did buy those shares at market, and the next day they moved up in trading, as they always would after a trade of this type. But he immediately goes to the press. He says: "Look, we made \$1 million for the people today." Paper profits! — because you're not going to make any money till you go to sell those shares; and if you did go to sell, the Premier would learn something about brokerage commissions and how much they eat into those profits.

But in claiming \$1 million for the people of British Columbia, did the Premier talk about the windfall losses on the shares that he owns in B.C. Telephone that he bought at \$52.25, that were trading at \$49 that day — drop of \$3.25 a share? No, no.

Mr. Chabot: Let's tell the whole story.

Mr. Bennett: Half the news...half the news.

Interjection.

Mr. Bennett: Let us not, therefore, hear any more of this overblown twaddle about windfall profits from the Premier's forays into the stock market. Because unless this government is going to abandon even the pretence of prudent, cautious investment, unless it's going to stop that, unless it is going to take us on the next hair-raising step of using public funds to play the market in day-to-day speculation, let's not talk about profits on the stock market. Let's talk more about investments and the dividends they will pay, and the dividends that will accrue to the people through those investments.

Now the true test of this Westcoast investment, as of any other now being contemplated by the distinguished financial house of Barrett, McNelly, Thom and Partners (Laughter) is what will be its returns to the people. What will be the returns to the people?

Now taking the first question first, it is difficult to understand why the government had to export \$26 million of the taxpayers' money to El Paso, Texas, just to exert its authority over Westcoast's operations. It already had that authority. Certainly it wasn't part of a "buy back Canada" programme, because if we accept the word of the Premier — and, of course, I do — he has no plans either to expropriate Westcoast or to increase the size of his investment. So control of the company will remain where it was before — in the United States.

As to control by regulation, the government already controls the wellhead price of gas in British Columbia. And by making Westcoast a common carrier at a fixed rate of return, it has all the controls it needs both on the transportation and the cost of

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transportation.

Mr. Chabot: He wants to get in bed with the Yankees.

Mr. Bennett: Perhaps the Premier bought this to put into the pension accounts. He was great at talking about the benefits that would accrue to pension accounts if they bought common shares. So what are the potential benefits to the pension accounts from this investment?

The Premier, as Minister of Finance, would have us believe that because Westcoast is now guaranteed a 9.5 per cent rate of return, that 9.5 per cent will apply to the \$26 million worth of shares we now own. That's wrong. I say it more in sorrow than anger, Mr. Speaker, that the Minister of Finance, in the biggest business in this province — which is the government — apparently doesn't understand how the return on shareholding equity is arrived at. Somebody has to tell him, so I will.

Mr. Phillips: McNelly will tell him.

Mr. Bennett: Somebody else will have to tell him, so I will. First, the typical financial structure, Mr. Premier — Mr. Minister of Finance, Mr. Stock Market Player — of any public company is made up of debt inequity. And the debt is made up of bonds, mortgages, bank loans, which are the first charge against the company. It is only after debt has been serviced and taxes paid and the sinking fund requirements satisfied that the remaining profit becomes available to shareholders. But in today's financial climate there is no guarantee that the new money which any viable company must have to expand or die can be borrowed at 9.5 per cent or anything close to it. Therefore, the cost of debt service goes up. The return on shareholders' equity must go down, because remember that that 9.5 per cent rate applies to all the invested capital.

Secondly — and here we have an exact parallel — if Westcoast is to continue on a sound working basis — and I quote from the business section of *The Province* — then it will have to continue putting money aside for depreciation, and it would have to continue its current dividend programme. And instead of 9.5 per cent return on that investment, Mr. Speaker, the return is \$867,844 a year — for an expenditure of \$26 million. That works out to something like 3.4 per cent, Mr. Minister of Finance.

Interjection.

Mr. Bennett: That's 3.4 per cent — below the allowable amount for pension fund investments. Not 9.5 per cent — 3.4 per cent.

Mr. Speaker, in pointing out these cold, hard facts of financial life to the Minister of Finance, we on this side of the House certainly hope that no hardship befalls the investments of the Province of British Columbia, whose hard-earned pension payments, and whose tax money in trust, may be tossed onto the crap table of the stock market by this government, in becoming the Las Vegas of the north; because pension accounts or trust accounts — pension accounts — are guaranteed accounts. In fact, general revenue, Mr. Premier, Mr. Minister of Finance, is also a trust account. Tax dollars are trust accounts. But 3.4 per cent is far different than 9.5.

So far in this review of the government's business performance I have dealt with its venture into ownership of companies that were already in existence. But perhaps the fairest possible test of the performance of this government, Mr. Speaker, would be its record in a brand new business, business unfettered by past policies or precedents or contracts — not that contracts appear to cut any ice with this government — but, at any rate, a business in which the government and the Premier and the Minister of Finance could demonstrate from day one the measure of his competence — business of which the Premier could say, "I did it my way."

Mrs. Jordan: He did.

Mr. Bennett: Happily — or unhappily, Mr. Speaker — we have such a brand new business in the province, and its name is the **Insurance** Corporation of British Columbia. Good old ICBC.

Here was the Premier's golden opportunity, the opportunity for a virtuoso display of organizing ability, prudent financial planning, crisp, decisive operating procedures. Here was his chance to obtain all the input of the experts that he loves so much — experts who we will deal with later, Mr. Speaker. Expert information. Here was a chance to free the poor benighted people of B.C. from ad hoc government.

Certainly, money was no problem, Mr. Speaker, not even in the dear dead days of a year ago when the Premier and his Transport Minister came up with the cost of \$5 million.

Mr. Phillips: That was just for advertising.

Mr. Bennett: Less than a year later these start-up costs are not \$5 million, not \$10 million, not \$15 million, but \$20 million. This isn't ad hoc government, to quote the Premier; this is "in hock" government. (Laughter.)

Certainly there was no lack of input from the experts, whether they were in Atlanta, Georgia...

An Hon. Member: Oh, oh.

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Mr. Bennett: ...or whether they were here, because the computers hummed, the experts advised, the consultants consulted and the actuaries calculated for months and months, and they brought forth a rate schedule. The experts brought forth a rate schedule — the computers helped them bring forth this rate schedule — the experts whom the Premier loves to quote that he's brought to this government. That's what all the high-priced jobs are about.

But that rate schedule, Mr. Speaker, has become an absolute travesty, because it's a meaningless set of figures that has already been manipulated time after time after time to appease pressure groups and gain political advantage. Many people of this province found it hard to believe this government's performance in daylight saving time — the daylight saving time follies — but they shouldn't really have been surprised. That was only a rehearsal for the great Autoplan premium game.

Underlying all this silliness there is a very serious danger that the Premier of this province will continue to make political rate adjustments in every aspect of public business. Are we next going to go into political rate adjustments for light bills if people complain? Are we going to go into political rate adjustments for gas rates if the people complain, or groups complain — or maybe if just the right people complain? Maybe special train fares for people that complain.

No wonder the ICBC ads feature a series of question marks. Where will he strike next? So much for experts.

Mr. Speaker, the performance of this government in connection with its automobile **insurance** scheme has been one of misrepresentation, mismanagement, waste, deceit, extravagance — and not just since day one, but from long before day one. The proof of all those charges isn't in what I've said; it's in what they've been saying all along.

I'm going to give you some examples. I want to quote from a letter that the Premier wrote, when he was Leader of the Opposition, in 1970 to a lady in Victoria. Here it is. And he says:

"As to automobile insurance rates, my sympathy is very much with an insurance agent and his small business. But they too are victims of a non-competitive controlled market. Our proposal for a Crown-owned automobile insurance agency would include the sale of British Columbia auto insurance through existing agents in competition with any other company that wished to stay in the field in British Columbia."

This letter is signed by David Barrett, MLA, Leader of the Opposition. Shades of the steel mills. There's his words, backed up in writing and signed.

I'm going to quote you what the present Premier — now that he's Premier — and his Minister of Public Works (Hon. Mr. Hartley), an acknowledged rate expert, had to say about premiums during the 1972 election campaign. And remember, this was the main plank of the NDP platform in that election; this was their solemn promise; this is why they said, "Trust us."

First, here is what the present Premier said in August, 1972, at a meeting on the Sechelt Peninsula. I quote from the Sechelt *Peninsula Times*.

"Mr. Barrett said the installation of a public auto insurance scheme in B.C. would protect drivers from the overcharging by private companies. 'We would provide several side benefits to B.C. As well as cutting back auto insurance premiums by 20 per cent, public auto insurance would also put an end to the exorbitant rates charged to young drivers and it would stop the practice of

charging super penalties to high-risk drivers who pay high rates because they might have had an accident, and even higher rates when they do have an accident.' "

What about the driving certificates, Mr. Premier — the second part of the three-part auto insurance premium? What about it? No penalties.

Probably the answer is that if you've got a good fiction story going — and I'm trying to be polite so we'll just call it fiction — you escalate the fiction. Because here's what the present Minister of Public Works (Hon. Mr. Hartley) had to say in the same election, and I quote from *The Kelowna Daily Courier*:

"Public insurance would cost about 35 per cent less..."

He's a little more extravagant than the former Leader of the Opposition, the Premier. It's 20 to 35 per cent — the election is getting closer, the rate cuts are getting higher.

"...35 per cent less than the motorists now pay. This is an estimated amount spent now by the 185 insurance companies for administration, he said."

He's going to save 35 per cent because his insurance is going to have no administration.

An Hon. Member: No advertising.

Mr. Bennett: No administration cost. Look at the ICBC building in Vancouver and the Royal Towers — all those people running around, no overhead, no administration. And then he goes on to say, "Records would be kept in computers in Victoria." Victoria in Atlanta, Georgia.

Mr. Phillips: They're going to keep it inside those lazy susans.

Mr. Bennett: What happened to those pledges, Mr. Speaker? What happened was that the public

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swallowed that fiction, and the once \$5 million petty cash account was set up and a new round of promises began — a whole new round of promises.

For example, on March 5 last in this House the insurance Minister (Hon. Mr. Strachan) said:

"Only insurance costs and experience will be charged against this plan. The plan will be self-sustaining. All services rendered by any department of government or otherwise will be paid for from moneys belonging to the plan. No subsidy from departments."

That's what he said — no subsidy from departments. But right here, on December 14 last, the Insurance Corporation bought a three-and-one-half acre site in Coquitlam. About 70 per cent of it was held by a private owner who was paid \$540,000 for his property.

Mrs. Jordan: Who's the MLA for there?

Mr. Bennett: The other 30 per cent was Crown land, and our information is, Mr. Speaker, that to this day no money has been paid for this land to the Crown. Is this the pledge that the government wouldn't subsidize ICBC to help it look just a little better than it looks right now?

Again, on March 5 last the insurance Minister accused the private insurance industry of failing to provide a good, efficient, rapid claims service. And he went on to say: "Only government has the clout and is willing to undertake the burden of overcoming these difficulties." Some clout. Never mind the good, efficient, rapid claims service — **where are the claim centres, Mr. Minister? Which one's open and ready for March 1?**

Once again on March 5 last, the insurance Minister promised that no money would be squandered in wasteful

administration costs. Well, let's quote a few paragraphs from a column in *The Vancouver Sun* by a Mr. Allan Fotheringham. What does he suggest? Well, he talks about people getting salary increases. He says: "Someone who's in the \$17,000, \$18,000 salary range is taking a jump to \$24,000 to go at ICBC." He says: "The public relations man was hired at some \$35,000, but then this government puts a lot of stock in public relations men." \$35,000.

And then, he says: "There's the matter of the ICBC grabbing, holus-bolus, seven stories in the Royal Centre." This is the overhead and the administration costs which the Minister of Public Works (Hon. Mr. Hartley) said you weren't going to have, and he was going to save.

Then he goes on to give a whole list of fantastic salaries. The Minister said he wasn't going to waste any money.

And again on March 5 last, the insurance Minister promised that every single penny that comes into the plan would be kept for the benefit of the motorists in British Columbia and invested in British Columbia. Does Lloyds of London work for the ICBC for nothing? Does the computer company in Atlanta, Georgia, work for the ICBC for nothing? Does the Royal Bank have its head office in British Columbia, Mr. Speaker? Those are just a few questions we'll be asking about this great new enterprise which the business ability, the organizational ability of the Minister of Finance (Hon. Mr. Barrett) has helped to set up for the benefit of the people of British Columbia, to demonstrate the true level of his expertise which this government brought to the planning of its insurance corporation.

I want to quote some statements from that final authority, the ultimate authority on insurance rates — the Minister of Public Works (Hon. Mr. Hartley). These were the careful calculations that this Minister made in his remarks to the House on January 27, 1972. I've headlined this: "Hartley Discovers \$25 Car Insurance." He says:

"The first step, possibly the most simple and easiest step for you to take, would merely be to expand your present programme of government car insurance — the programme that you have for 6,500 government vehicles..." — this is when he's in the opposition talking to the former government — "...that are now out bucking the snowdrifts driving under the most hazardous conditions night and day at this time of year."

You know that the Highways report that was filed on January 20, on page 14(b) gives a report from the government's own car insurance. Here he states that the former government insured its own vehicles for \$23.85. He says:

"We insure all our publicly-owned vehicles that are operated by the government in various government departments for approximately one-eighth to one-tenth of what it would cost if you had insured them through private industry. The total cost for 6,000 vehicles is \$125,000." He said, "If you had insured these through private car insurance corporations, it would have cost \$1 million more than that." He goes on to say: "If they can save \$1 million on 6,500 vehicles, what could we do with a thousand times that on 650,000 vehicles?"

The Minister of Public Works (Hon. Mr. Hartley) would save the people of B.C. \$1 billion by his own calculations.

Mr. Chabot: He should resign.

Mr. Bennett: Now we hope on this side of the House, Mr. Speaker, that there's no truth to the ugly rumour that the present insurance Minister is about to be fired. But should it be true, then obviously

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there's only one choice for the job — the Minister of Public Works. He's going to save us \$1 billion a year. Why, if he was in charge he could clean up this whole mess today. He's already said there's no overhead, no building. For \$38.50 a year he can insure everyone's car in B.C. — \$23.50. Why isn't he the Minister of insurance?

And then from his calculations — and this proves the stock that this party held in his financial ability, his wizardry, because before the Premier became Minister of Finance he was the financial wizard of the NDP — they ran his figures in public ads saying: "We will give you \$25 car insurance." Financial wizards.

Then the Minister of Health (Hon. Mr. Cocke) spoke on the automobile **insurance** bill last spring, and I think it sums up the feeling of all the Members in this House. He said, and I quote, "I would hate to be part of a government that deceived the public."

Amen, Mr. Speaker. Amen.

Some Hon. Members: Amen.

Mr. Bennett: The blunt fact about the government's insurance scheme is that it was conceived in deceit, born in confusion, and delivered in chaos. You said, "I would hate to be part of a government that deceived the public." I've read back the statements of your Members. Are you calling them liars? Are you calling your Members I've just quoted liars? Are you calling the Members...?

An Hon. Member: Not at all.

Mr. Bennett: Then what's deceit? And that auto insurance expert, Jes Odam, in the *Sun* — and he's made a study of auto insurance — and I quote from him as a final wrap-up. He says:

"Our Premier, with all due respect to him, was talking balderdash, piffle and poppycock. Many drivers will pay more for auto insurance from this government for a variety of reasons."

Well, the Premier of this province has tried to draw a red herring across the trail of his broken auto insurance promises by challenging not only the Leader of the Opposition but other party leaders as well to come out against car insurance at the next election. I challenge him to show where I ever came out against government car insurance.

But, more to the point, I promise him that when my party takes over the government, we will bring sound business management to the ICBC and we will bring the end of monopoly of government in the field of automobile insurance. We will establish premium rates not on the basis of politics but on the basis of genuine competition with private insurance companies, developed by the experts.

Now, something about housing. Housing was in the Speech from the Throne, Mr. Speaker. Once more I don't want you to take my word for it because here you have the word of the Premier for it. Only a couple of months ago he said, "The housing situation has gone from bad to worse." Bad to terrible during the first year of his administration — bad to terrible — and that it was going to get worse. Well, he was right. He's finally right. The housing situation did go from bad to worse during the first year of his administration, and it did get terrible, it did get worse.

What we have today in B.C. is a housing crisis. The irony of the situation, Mr. Speaker, is that it never had to happen — broken promises and mistakes. This crisis was largely of this government's own making. Although the throne speech tells us that during this session we will see some frantic high-cost, big-bureaucracy patchwork efforts to catch up on the crisis, no amount of Band-aid building by Dunhill Development will excuse this government from its total lack of performance in the housing field for the last 18 months.

Mr. Chabot: Even Dunsky can't advertise them out of that.

Mrs. Jordan: Consumer affairs looking after the huts.

An Hon. Member: They'll need more than McNelly to move themselves out of that.

Mr. Bennett: It's a simple matter of record that, up until September, 1972, British Columbia had the best per capita record in all of Canada in the terms of the provision of public housing. I have the figures here from the Central Mortgage and Housing Corporation, and I'll be glad to provide them for information for my friends opposite, if they care to question us.

The previous government's policies on private housing seemed to work well because of the various incentives and mortgage programmes that were offered. Over 100,000 people had been helped towards home ownership by

1972. By September of last year, the total had reached 129,000. It's strange indeed, in fact a bit of a paradox, that for all its cynical statements about cleaning up the housing mess, and for all its reckless and unnecessary landbank purchases such as the landbank in the Dunhill disgrace and others, Mr. Speaker, the only programmes for private housing that are working in this province are the programmes of the federal government and those set up by previous administrations.

Since the Premier is a great hand at tossing out challenges, I'd like to challenge him as to whether he

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intends to keep the homeowner grant and increase it, as he should; whether he intends to keep the renters grant, and increase it; whether he intends to keep the second mortgage programme, and increase it; whether he intends to keep the \$1,000 home acquisition grant.

Those incentive programmes worked, Mr. Speaker, and of course the key to the reason they worked lies in the word "incentive." The people of this province have shown throughout history that if they are given a fair and proper incentive they can solve almost any problem of artificial shortages on their own, without government meddling. But, of course, this government doesn't believe in private incentives because private incentives are a threat to state control; especially it doesn't believe in private housing incentives, because it doesn't believe in private housing or private ownership of land. We know that even because he owns at least one home and presumably the land under it; the Premier has told us so. We know that even though he owns at least one house and presumably the land under it; the Attorney-General told us so. I trust the Attorney-General.

Even in the field of rental housing the government bears a heavy responsibility for the crisis we are facing today. For the first 10 months in 1973 in the metropolitan Vancouver area where over half of all our people live, multiple housing starts — which is to say apartment building starts — were down 18 per cent from 1972.

Hon. Mr. Nicolson: Where are they now?

Mr. Bennett: They're down.

Hon. Mr. Nicolson (Minister of Housing): You had better check.

Mr. Bennett: In the first 10 months of 1973 apartment building starts were down 18 per cent.

Mr. Chabot: That's where the Minister is going too — down.

Mrs. Jordan: Down.

Mr. Chabot: Down and out!

Mrs. Jordan: Down.

Mr. Chabot: Down and out!

Mr. Bennett: I would hope, Mr. Minister, that there were some increases in housing from the tremendous incentives you brought to the portfolio, legislation that produced this Minister Without Portfolio responsible for housing as the new Minister of Housing since it was created. The great programmes you've brought forward are a credit to your organizing ability and to the people of this province, and they'll probably thank you forever. Those people without shelter, they're thanking you today, Mr. Minister. Hunt for a current statistic somewhere, somehow, to get you out of this mess.

Hon. Mr. Nicolson: From the mess you created!

Mr. Bennett: How many housing units have you built, Mr. Minister? How many housing units have you created?

An Hon. Member: How many housing units do you get for...?

Mr. Bennett: No matter how often this government cries it isn't so....

Mr. G.H. Anderson: How many did you build in 20 years?

Mr. Bennett: How many did I build in 20 years?

The root causes of the fantastic rise in land prices in this province are causes of this government's own making. The first one is the inflationary psychology the government has created with its own reckless spending and its sky's-the-limit wage settlements. The second is the artificial scarcity of land created by Bill 42 and the land freeze.

Certainly the government had ample warning of the consequences of Bill 42. I'm not talking just about the few thousand people that dropped by last spring to visit him on the lawn of the Legislature; I'm talking about one of his own Members — the Second Member for Vancouver–Little Mountain (Mr. Cummings). The Second Member for Vancouver–Little Mountain said in this House, and I quote:

"A second reason for the anticipated drastic increase in both rents and the costs of homes is the recent freeze of agricultural land by the government and the subsequent diminishing of the land available for housing."

One of your own Members, Mr. Premier, and he warned you. Why didn't you listen?

But the government pressed on regardless and reclassified farmland, and literally thousands of acres of land which never did and never will support a crop. Having created an artificial scarcity, it promptly began to do its bit for inflation.

In your own riding, the riding of Burnaby, Mr. Speaker, the average price of land increased by 212 per cent in 1973 alone. That's where the government chose to make some of its major purchases for a

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landbank. I'll give you just one example: the government bought 4.82 acres of raw land in Burnaby in 1972 for a price of \$615,000. That works out at about four lots to the acre, Mr. Speaker; it works out to about \$32,000 a lot for low-cost housing, before servicing costs. Great landbanks. Some deal.

I guess that's the socialist version of the triumph of imagination over engineering (Laughter) but it serves to illustrate two serious and important points.

The first is that if we can't assemble and service land for less than \$32,000-plus in Burnaby what are we going to do in the rest of the province? We have another area where they run into trouble in Nakusp, and I quote from the Nakusp newspaper. It says:

"Lorne Nicolson's new housing department probably met its first major problem right here in Nakusp. The fledgling department gave the village approval to spend money for a subdivision plan and a certain amount of development before they came along and put a halt to it.

"The new department's civil servants discovered that it's going to cost more to develop the subdivision per lot than the government could hope to recoup in yearly leases."

They go on to say, and these are their words:

"Boy, oh boy! The size of the lots will be cut down, the number of roads and what not will be sliced."

Now, if they can't assemble and service land in the Village of Nakusp without committing financial suicide, how in the name of reason can this government, and that Minister, expect to assemble and service land in the densely-populated regions of greater Vancouver?

The second point is that with its obsession with the landbank and its blind insistence with state-owned and state-controlled housing as a substitute for reasonable incentives, Mr. Speaker, this government is compounding the housing crisis, not solving it.

What will be the results? Either a staggering burden on the taxpayers, or the creation of instant slums. Or worse still, both.

Of course, the tragedy of it all is that even in the public sector, the government has had available to it numerous federal incentives that could have made a real contribution to the housing inventory, even without spending a penny more than has already been spent with absolutely no results. If we take the \$6 million that they have spent on land assembly, and add it to the \$5.8 million for the landbank in Dunhill Development, that comes to about \$12 million, and it could have been used in a combination with federal funds through existing formulas in three different ways.

First, it could have been used as the provincial government's one-third grant towards senior citizens' housing to produce at current prices, including land at \$12,000 per unit, 3,000 new housing units.

Second, it could have been used as the provincial government's 10 per cent share, with 90 per cent federal financing through the economic rent formula, to provide a total capital pool of \$120,000 that would provide at current prices, including land at \$30,000 per unit, 4,000 new housing units.

Third, it could have been used as the provincial government's 25 per cent share under the subsidized rent formula to provide at current prices, including land, 1,600 units.

Any one of those steps, Mr. Speaker, or a combination of all three, could have been taken to get this province moving in the field of public housing — any housing — using only the funds we know about. But the only funds that have been spent so far have been spent on landbank, with not one unit, not one stick, being raised to provide shelter for the people of this province.

Now, the greatest opportunity for a solution to the housing crisis lies in the provision of reasonable incentives to the private sector and to local government. When the Second Member for Vancouver–Little Mountain (Mr. Cummings) gave his highly-accurate forecast on the effects of Bill 42 last year, he also cited the federal government's Dennis report as an authority for the statement that 7,000 acres were in the hands of major developers in the greater Vancouver area, and that they would satisfy the land requirements in that area for the next 10 years.

We didn't even have to discuss those 7,000 acres because the municipalities and the governments in the greater Vancouver regional area own 9,400 acres of land that is available for housing — much more than the Dennis report estimates the lower mainland will need for housing during the next 10 years.

We don't need landbanks; we need action and we need programmes. So it seems only logical to me, Mr. Speaker, that instead of being preoccupied with landbanks and acquiring land, we get into incentives for local governments and for private individuals to develop their own housing.

In anticipation of the housing crisis we are now facing, previous administrations did offer the municipalities one such incentive. It wasn't acted upon, but there is absolutely no reason why it could not be acted upon now to get us moving again.

That mechanism that is readily available is the land-use contract in the Municipal Act. Using this mechanism, Mr. Speaker, developers of residential housing, whether they are in the private or the public sector, would be offered land-use contracts with built-in incentives, provided they met certain minimum conditions.

First, they would be required to agree to a stated fixed price for lots on completion of a subdivision. That fixed price would reflect a reasonable rate of

return and, by formula, reasonable protection against inflation.

Secondly, they would be required to agree to maintain the fixed price for five years in return for an incentive subsidy which would have certain restrictions.

Dealing with the first requirement, Mr. Speaker, the developer — and here again, I say either private or public — would be granted a reasonable rate of return. But in order to protect the public against the possibility of too large an inflation factor being built into the stated fixed price, and at the same time to encourage the developer, a release formula would be established.

Under this formula, which would cover the eventuality of developed land being held off the market for one reason or another, during an inflationary period, the developer would be permitted during each year-end of the five-year fixed term to add to the sale price of each lot at an amount which would be the lesser of 5 per cent or the cost-of-living rise in one year as protection against inflation.

Turning to the second requirement, which would be a condition of the land-use contract, we would suggest that an incentive subsidy towards servicing costs be made in the amount of \$2,000 per lot, but only on its completion, and only when the conditions I have mentioned earlier are agreed to, and only under a registered caveat which would be lifted when the completed house unit is delivered to the end user.

As to the end user himself, he would have access to housing provided through incentive subsidy only once, as in the case of the home acquisition grant. He could sell this subsidized accommodation, and sell it at the free market price, but he should not then be allowed to move back under the umbrella of the incentive subsidy.

We in this party have stated our belief many times, Mr. Speaker. The best government is the government that is closest to the people — that is, local government. For that reason, we would assign great responsibility for the administration and construction and development of land under these programmes to local governments. They would disburse the \$2,000 per lot incentive subsidy under agreed conditions, whether they were the developer or not.

In return, and to offer them further incentives to accept new residential housing and its associated cost, we propose that for each new housing unit accepted within municipal boundaries, the provincial government should pay an outright grant of \$500 per completed unit to the regional government or the local government in that area.

We would add another option for the people now entering the housing market, and that is the lease-to-purchase plan. Under this plan, land is leased and then purchased with a fixed 10-year price under this plan, with no sale permitted except to the Crown or to the sponsoring municipality during that term. This would allow people to get into housing with even lower cash requirements because no land cost would be developed during the first five-year period.

Naturally, this presupposes a condition of co-operation on the part of municipalities. That is what the principle of inter-governmental activity is all about. As I've said, we've lost one full construction year, Mr. Speaker, and I'm terribly afraid we'll lose another unless steps are taken to use the talents of these governments, or local governments and of the people themselves, to break through the red-tape barrier that inevitably follows the centralization of control in the big, bloated government.

Doctrine doesn't build houses. Bureaucracy doesn't build houses. Motivated people build houses, Mr. Speaker. Involved people build houses. The people of this province can solve the housing crisis, Mr. Speaker, and they will solve it given reasonable incentives and if they are all involved.

Two years ago, the people of British Columbia were asked to take this group opposite on trust, and 39 per cent of them did just that. But in less than two years, they have seen that trust shattered, and they have seen appalling waste, rampant political patronage.

Mr. Speaker, earlier in this address, by describing the Speech from the Throne as "a hollow document," using the words of the present Premier and former Leader of the Opposition — I used the Premier's own language — there

are some very simple questions that could be asked on behalf of the people of British Columbia about the lack of content in this document.

In 1969, the Members opposite presented a resolution to this House that the transmission of natural gas to Vancouver Island should be undertaken without delay. Where is the promise of action on this project, Mr. Speaker?

Mining claims have been nearly cut in half last year from the previous year. Where in the Speech from the Throne is there any promise that in the mining economy we will get moving again?

Interjection.

Mr. Bennett: Who? Well, you shouldn't let him do that.

Where in the Speech from the Throne is there any evidence that the ad hoc purchase of No. 1 and No. 2 agricultural land on Tilbury Island for port facilities and secondary industry will be accompanied by consultation with local governments and prior environmental studies?

Where in the Speech from the Throne is there any evidence that the government intends to proceed with a bill of rights, particularly a bill of rights that would offer the people of British Columbia some protection from confiscation...?

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Interjection.

Mr. Bennett: I don't know; I wasn't here and I understand you were in Ottawa.

Interjections.

Mr. Bennett: We know, and you're still delivering the Ottawa line here.

...a bill of rights that would offer the people of British Columbia some protection against confiscation without compensation.

Where in the speech is there any evidence that local authorities will have a part to play in determining the future of the Gulf Islands?

Where in the Speech from the Throne does the government offer tax protection for municipalities having to accept ICBC's construction within their boundaries? Order-in-council 4265 passed on December 20 covers the tax position for 1974, but what about future years, Mr. Speaker?

Where in the Speech from the Throne is there any protection offered to pensioners that their pension accounts will not be squandered on wild adventures in the stock market?

Where in the Speech from the Throne is the Minister of Municipal Affairs (Hon. Mr. Lorimer) going to end his game of hide-and-seek with the municipalities on the lower mainland on full consultation dealing with rapid transit?

Where in the Speech from the Throne is there any evidence of reduction in class size, the top priority presumably of the Members opposite? Where did it mention any reduction in class size?

Where in the Speech from the Throne is there any indication that this government intends to honour the principle of freedom of choice in joining an association of employees or an association of employers of the individual's free choice?

Where in the Speech from the Throne, Mr. Speaker, is there any guarantee that this government does not

intend to nationalize medical services in British Columbia and bring in some kind of supermarket system of medical care?

Where in the Speech from the Throne is there any evidence that the government intends to develop an educational system which is the product of the people working in the system now?

That's a partial list, Mr. Speaker, of things that concern the people of British Columbia. Instead, the government gave His Honour eight minutes of nothing to read to the people of this province.

Therefore I move, seconded by the Member for South Peace River (Mr. Phillips), that the motion in reply to the opening speech of His Honour the Lieutenant-Governor be amended by adding the words: "But this House regrets that the speech of His Honour gave further indications that the government intends to place greater centralized controls upon the people of British Columbia while neglecting any mention of specific proposals for policy changes in the social-service fields of education and health at a time when there is growing public alarm with the government policy in these fields."

Mr. Phillips: It's unfortunate, Mr. Speaker, that at this time, early in the fourth session, we have to move a motion of no confidence in this government. However, we in the official opposition see no alternative because of the amount of nothingness that was in the throne debate.

I listened, Mr. Speaker, on Friday last when the Member for Delta (Mr. Liden) moving the motion and the Member for Esquimalt (Mr. Gorst) tiptoed around the contents of the speech. But they made no mention, Mr. Speaker, of the action which will be taken by the socialist regime to establish a state police force in the Province of British Columbia.

Hon. Mr. Macdonald: Oh, what?

Mr. Phillips: Oh now, the Attorney-General says, "Oh, what?"

An Hon. Member: Step No. 1.

Mr. Phillips: Step No. 1. The Attorney-General says we can't give all this socialism at once because it will alarm the people. We must couch it in broad general terms; we must tell them that we're going to establish a police commission. That's No. 1.

But I know, Mr. Speaker, what the true intent of this is; I know what the Attorney-General intends to do. Certainly! And I intend to tell the people of this province what the Attorney-General intends to do.

Hon. Mr. Macdonald: Will you tell me too?

Mr. Phillips: Yes, certainly. You know; you've told people, Mr. Attorney-General, that you can't tell the people all at once that you're going to establish a police force. You know that. You're afraid you'll frighten them. So you just gradually ease it in, the same as you did with Bill 42.

When I told you what you were doing in Bill 42 everybody called me a McCarthy. What has happened since then, Mr. Speaker? Exactly the predictions I made in my debate — my lengthy debate, I might add — on Bill 42 have come to pass.

An Hon. Member: It's a good bill.

Mr. Phillips: A good bill! It's a good bill when you want to take away land ownership in the Province of British Columbia — and that's exactly what you intend to do, Mr. Attorney-General.

Sure, you call it a good bill, but I'm telling you here today, Mr. Speaker, that the intent of the Attorney-

General, even though he couches it in the throne speech in general terms with establishing a police commission, is to establish a police force in the Province of British Columbia.

No mention by your mover and your seconder on Friday. They know. It's one of the main tenets of the throne speech, but did they mention it? No. Why?

Hon. Mr. Macdonald: Is that what Pat Burns said?

Mr. Phillips: No, that isn't what Pat Burns said; that's what I'm saying. Well, I'll certainly stand up beside Pat Burns any day because he's a free enterpriser and so am I.

Interjection.

Mr. Phillips: Well, all right, there's a true socialist over there: the Member for Prince Rupert (Hon. Mr. Lea). I've got a few words to say to you in just a few moments. Yes, just stay in the House. Will the Minister of Housing (Hon. Mr. Nicolson) stay in the House? And the Minister of Education (Hon. Mrs. Dailly)? I've got a few words to tell all of you.

I hope the Lands Minister (Hon. Mr. Williams) and the Minister of Agriculture (Hon. Mr. Stupich) will stay in the House because I'm going to discuss a little bit about land ownership. I've quite a bit to say in this House about land ownership. You remember, Mr. Speaker, Bill 42. Unfortunately, the things I said on Bill 42 are coming to pass.

I listened very intently and I didn't hear the mover or the seconder mention another great tenet in this throne speech, and that is how the Premier is going to get himself out of this horrendous mess he has got himself into with regard to assessments in this province. They didn't mention it, but it's in there and I hope the other Members of the socialist hordes will mention it when they speak — if they get the opportunity to speak, that is.

Nor, Mr. Speaker, did I hear one of the third very important things in the throne speech with regard to housing. I didn't hear the mover or the seconder mention anything about housing. They tiptoed around and tried desperately to find something to talk about in the Speech from the Throne.

Unfortunately, it's more socialism with no social reform; more controls with less freedom for the people of British Columbia; more regulations and more vague promises.

The Premier says the Speech from the Throne was vague to allow wide-ranging debate. I think the Speech from the Throne is vague, Mr. Speaker, because the Premier really is not prepared for this session. He doesn't know how he's going to get this province out of the mess it's in in the management of its finances, in the assessments or the problems he's having with ICBC.

Mr. Speaker, the Premier, in answering criticism over the Speech from the Throne, to my way of thinking gave a very inept answer. Either he doesn't know or he doesn't want to tell us what his legislative programme for this session is going to be.

I remember, Mr. Speaker, the Premier of this province saying that he is going to treat the opposition with a great deal of respect. He's going to keep them informed so that they will know what's coming and they can be prepared. Where is that promise in this Speech from the Throne, Mr. Speaker? Where is it? Out the window. He forgot all about them. Either he doesn't know or he doesn't care. Flip-flop, flip-flop; that's what the Premier's doing because he doesn't know. He'll probably have to have many more caucus meetings to find out where he's going. It's unfortunate.

The throne speech that you brought down, Mr. Premier, makes a farce of the traditional opening of parliament, and you, as the Premier, should be ashamed of yourself, with your complete disregard for the monarchy.

Now, before I get into my speech, Mr. Premier, I would like to take this small opportunity to congratulate our new leader...

Hon. G.R. Lea (Minister of Highways): What for?

Mr. Phillips: ...who was chosen at one of the largest political rallies ever held in the Province of British Columbia last fall, after the session ended. He put on an aggressive campaign at one of the most successful political conventions ever held in British Columbia.

I would suggest to you, Mr. Speaker, that the opposition, or the government, I should say — they'll soon be opposition — were quite surprised at the strength of the official opposition, quite surprised that the forces of free enterprise in this province would band together. And they are going to do it again tomorrow, Mr. Speaker. Yes sir, the free-enterprisers of this province shall speak tomorrow in that big riding of North Vancouver—Capilano. Those people over there, Mr. Speaker, are going to tell the Premier that too much is too much.

Mr. Speaker, the point of this is to show you the great strength that lies behind this great Social Credit Party. There was a lot of talent available for leadership, but we chose the best man and that's the democratic way.

What pleases me more than anything, Mr. Speaker, is to see a leader of a political party with some good, sound, business experience and some executive

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ability, because unfortunately, Mr. Speaker, he happens to be the only leader of any party, including the government, who has any executive ability. As you know, Mr. Speaker, this is a \$2 billion business — the business of the people of British Columbia. And you have to ask yourself: if you owned that business would you put a man in charge of it with no executive ability?

Now there is executive ability and business ability available in the socialist party. But where are they? The Member of Shuswap (Mr. Lewis) is a businessman in his own right. He runs a very successful business.

Mr. D.E. Smith (North Peace River): Two roosters.

Mr. Phillips: The Member for Omineca (Mr. Kelly) is an independent businessman in his own right. The Second Member for Vancouver—Little Mountain (Mr. Cummings) is a businessman in his own right — he runs his own business, has to balance his own books at the end of the month, has to face the bankers, has to meet the payroll. What bothers me, Mr. Speaker, is why these good, sound businessmen were bypassed when the recent appointments were made to the cabinet.

Is the Premier afraid to have in his cabinet people who have to meet the banker at the end of the month? Is he afraid that they will show up his own lack of business ability? I have to ask myself that question, Mr. Speaker, because there were four recent appointments made to the cabinet.

An Hon. Member: Five.

Mr. Phillips: Five recent appointments made to the cabinet, Mr. Speaker, bypassed good, sound businessmen. To me that was a grave error on the part of the Premier.

There's an old-fashioned business tenet that says: "Never have anyone that is smarter than yourself or you might lose your job." I wonder, Mr. Speaker, if that is what the Premier is afraid of.

I hope that the Premier takes many of his business decisions to the caucus where that business talent lies, because then he will get some good, sound advice from men who have had to face the banker at the end of the month.

Mr. Speaker, I'm disturbed, and the business community is disturbed, and I've spoken of this in this House before. But the Premier stands up and he says: "Look at the unemployment rate. Look at the money that is rolling into the tax coffers of the Province of British Columbia." And he crows about what a wonderful year British Columbia has had. I'd like to analyse that, Mr. Speaker, for just a moment.

How much of the good year that we have just passed, '73, is the direct responsibility or the direct result of good management and good sound decisions on the part of this government? I would suggest to you, Mr. Speaker, none. I would suggest to you that the reason that the business community and business in British Columbia has been good in the past year is due to the world demand and high prices for metals. I would suggest to you that number two is the world demand and the high prices in the lumber industry; and I would suggest to you that number three is the demand and the high prices for agricultural products. None of these three items, Mr. Speaker, is the responsibility of or credit to the socialist government. As a matter of fact, it is in spite of many of the things they have done to discourage investment in this province.

Investment capital is a very nervous item, Mr. Speaker, It wants security. Money was spent last year in investments. Certainly money was spent last year in investments, Mr. Speaker, but when were the plans made to spend that money? I would suggest, Mr. Speaker, that 95 per cent of the money that was spent in new plans and new investments, opening new mines, et cetera, in the province last year was planned three and four years ago.

What I want to know is: how much planning went on in 1973 for investment down the years — '74, '75, '76? This is what we must be concerned about, Mr. Speaker. How much planning is being done on behalf of business management — the people who control the flow of capital? How much planning is being done to invest in the Province of British Columbia in the years to come? I would suggest that in the forest industry and in the mining industry not very much, because this government has given no clear-cut indication of what its policies will be in the two very, very important industries. How much planning is being done with regard to secondary manufacturing?

I stated before, Mr. Speaker, that risk capital is a very nervous item, and I would suggest to you, Mr. Speaker, that many firms are looking for other provinces in which to invest their money, in spite of what the Premier says and in spite of the building figures which were released today for the City of Victoria.

I have on very good authority, from sources inside the provincial government of Alberta, that many firms, Mr. Speaker, are looking to that neighbouring province to invest their money, and I'd like to quote to you to back up that statement, Mr. Speaker, an article from the *Edmonton Journal*, dated January 17, 1974:

"British Columbia's Policies Helping Alberta.

"The Barrett government's economic policies are beginning to benefit Alberta. Informed sources in the provincial administration report that whereas in the past British Columbia firms showed no interest in locating plants in Alberta, today the Alberta

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Department of Industry and Commerce has about 75 inquiries."

Seventy-five inquiries from firms in the Province of British Columbia, Mr. Speaker, that are interested in locating in the Province of Alberta, where the economic climate is good, and where the government doesn't hang a threatening Act over the head of every industry and of every enterprise. This, Mr. Speaker, I'm afraid might be just the start.

As I said, in spite of tremendous economic activity not only in Canada, not only in North America, but throughout the world, business has been good in 1973. But what is the potential? That is the question we must ask ourselves, Mr. Speaker. What is the potential and how much better could it have been had the decisions been made, either yes or no, as to how this government intends to treat the forest industry and how it intends to treat the mining industry, which are our largest revenue producers?

The article summarizes, Mr. Speaker, by stating:

"Sources believe that this is only the beginning of an accelerating trend, and if a few of the B.C. firms are located successfully in Alberta, the whole thing could snowball."

It is unfortunate that the Premier and Minister of Finance — a man who always has so much to say about

how good business was last year — is not in the House.

He's the man, Mr. Speaker, who said he was going to have a love feast with business. I didn't say it; he said it. I would suggest, Mr. Speaker, that this love feast has turned into somewhat of a family battle, because, as I read the business community, it's not very happy. That wait-and-see attitude which they had last year at this time after just over five months of the socialist reign in British Columbia — that attitude of wait and see — has now turned to one of concern. Their optimism has turned to pessimism.

Who are the real producers of revenue in this province, Mr. Speaker? It's the business community. They're leery and they're frightened of 1974.

That's all right for the Minister of Industrial Development, Trade and Commerce (Hon. Mr. Lauk) to sit there and snicker. I'll tell you, Mr. Minister, through you, Mr. Speaker, that I think I can read the business community just as good as he can. And I'll tell you that the business community is concerned, and all of the smiling he does is not going to change that concern. It's not going to alleviate the problem. For him to sit there and snicker — a man who has had \$25 million for nearly a year to invest in secondary industry in this province and hasn't invested one red cent.... He should be concerned and he shouldn't smile, Mr. Speaker.

In the first half of 1973, 73 per cent of the businesses in British Columbia showed an increase in orders. In the last half of 1973 only 60 per cent of those businesses showed an increase in orders. The business community, as I said before, is concerned.

There is a shortage of boxcars in this province, Mr. Speaker, and it's hampering the movement of lumber and it's hampering the movement of agricultural products. Mr. Speaker, what did I say when the Premier brought in his punitive taxation on rolling stock in this province? I said that the major railroads in North America would keep their rolling stock out of this province. What has happened, Mr. Speaker? Another one of my predictions has come true.

What is the true reason for the shortage of boxcars in this province which is hampering the movement of our goods — hampering business? Anybody knows, Mr. Speaker, that if you try to get a small amount of money — increase the amount of bookwork — the taxes raised on the rolling stock will be very punitive, very small compared to the amount of business that it's driving out of this province — and compared to the amount of disruption in the lumber industry particularly. But the Premier forges ahead because that's his doctrine: tax the big guy. It's had its effects. Unfortunately, it's had its bad effects. That is one of the reasons, Mr. Speaker, that there is such a fantastic shortage of boxcars.

For one year, Mr. Speaker, the mining industry in this province has been waiting for answers to some of its questions. What are the royalties going to be? What taxation are you going to force on the mining industry of this province? Mr. Speaker, I warned the Minister of Mines (Hon. Mr. Nimsick) last spring, when he was putting through his legislation, that it would bring prospecting for new minerals in this province to a halt. What has it done? — exactly what I predicted.

In a year, Mr. Speaker, when the world metal prices have remained strong and the highest of any year in our history, it caused production to rise in our existing mines. Because of the demand and because of the high prices, it rose to \$993 million in 1973 from \$637 million in 1972 — not because of any policy of this government, Mr. Speaker, but because of the world demand for metal — because of the high prices in the world for metal.

As much as I'd like to be able to give the Hon. Member from Cranbrook (Hon. Mr. Nimsick) the benefit of bringing in this additional revenue to the province from the mining industry, it has to be credited to the world situation. But here's the whole point, Mr. Speaker: while there were high prices and high demand for minerals last year, claim staking for new mines on the part of the prospectors dropped 55 per cent in the Province of British Columbia.

I heard last year, when I was driving to the session, the Premier on a hotline show saying that this was capitalist hogwash. "Capitalist hogwash," he called it.

More of the same: where are your minerals going to come from if you don't have the prospectors out looking for them? Are you going to go out, Mr.

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Attorney-General, yourself and start looking? I would suggest it might be a good place for you to find out what kind of a life the prospectors of this country have to lead, how much hardship they put up with. I would suggest that the Minister of Mines go out and do a little prospecting. He might find out too. Then he'd take away this punitive taxation they've placed on them, the taxation that has stopped the prospectors of this province from going out and seeking new mines.

What happened in our neighbouring area of the Yukon? Similar conditions: rough, rugged, cold in the winter, hot in the summer, blackflies, mosquitoes; what happened there? Their prospecting doubled in the year 1973. Doubled!

Yet the Minister of Mines would have me believe that the legislation he passed in this House last spring would have no effect on the search for minerals in this province. Drastic reduction in spite of world prices.

Now, Mr. Speaker, I'd like for just a moment to talk of a couple of items I have problems with in my own constituency. While I was away last year travelling with the agricultural committee.... I don't know who made the decision, but one of the services that had been provided for the rural population in the area for some 20 years was removed. I refer to the removal of the snow ploughing of driveways.

It was suggested that it be done the year before, and I said no. This was a service that these people have had, the people in the north country who have to put up with all the hardships to develop this province for those of you who live in the lap of luxury down here on the Island and on the lower mainland — one little service that this government provided for those people — ploughing out the tons and tons of snow that falls in their driveway every year.

But no, Mr. Speaker, this government has to take it away from them — had to take it away from them. Part of the attitude that this government has towards the north? — I hope not.

Was it the decision of the engineers? Was it the decision of the Minister of Highways (Hon. Mr. Lea)? Why was this service taken away from the people in the north?

Now, Mr. Speaker, I spoke at some length in this House on the requirements and the need for a highway into the Monkman Pass area where great gas fields are being developed, where major drilling activity is taking place, where one of the largest coal mine developments in North America could take place. It's been over 18 months and still no decision from the Minister of Highways,

Now the Minister of Highways was up; he knows the problem. He helicoptered around the area and he talked to the local people. He didn't have to listen to me. When are we going to get a decision? How much longer are you going to allow the development in that part of the area to go to the neighbouring province of Alberta? How much longer?

I know there's lots of money. How many plans are being made in this province for future highway development? Or are they afraid of being called, Mr. Speaker, a blacktop government?

Mr. Speaker, I hope that the Minister of Highways will continue to give attention to the reconstruction of the Kiskatinaw Bridge on the Alaska Highway, because if we are going to continue to develop the north, the machinery to develop that north must move up the Alaska Highway. With the construction of the trans-Alaska pipeline the traffic on that highway will increase and increase and increase. I have provided the Minister of Highways with a comprehensive review of the requirements in the constituency. I hope he is giving it the necessary attention so that these much needed projects can take place.

I'd like to mention just one other, Mr. Speaker, that is the highway between Dawson Creek and Chetwynd. Because if and when this government moves ahead on the Sukunka coal project, traffic between these two points will more than double. And certainly passing lanes on those hills that are mentioned in that report, Mr. Minister, are badly needed. Let's not wait until it's too late and the heavy traffic is there and you have to do the construction. Let's get at it this summer; in 1974. Let's get the job done. It won't require a great deal of expenditure, Mr. Minister. Let's get the job done.

Also in the area, Mr. Speaker, there are several businesses that are waiting for the Minister of Industrial Development, Trade and Commerce (Hon. Mr. Lauk) to break loose with some of the \$25 million he has in the kitty to promote secondary industry in the Province of British Columbia.

I remember, Mr. Speaker, when this bill was passing the House, after I'd brought in an amendment to have the bill hoisted for six months so we could take a look at it and give the business community a chance for some input as to whether the government should really invest in equity shares in business or not, the Premier said: "Oh, you're against having money available to put into your own constituency. Much needed projects up there are waiting for money from this fund."

You remember the night, Mr. Member, when he threatened me with going into my constituency to tell the people that I was against having this money. That's nearly a year ago. Nearly a year ago now, and not one single solitary cent has been spent out of this \$25 million for the development of secondary industry in this province. Not one cent! Yet the Premier threatened me that he was going to go into my constituency and tell my constituents that I was

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against having this fund. Because there were many much needed projects, the bill had to be passed immediately so that this money could start functioning to promote secondary industry in the Province of British Columbia.

Interjection.

Mr. Phillips: What happened? That didn't come out of the industrial development funds, Mr. Attorney-General, and you know it.

An Hon. Member: They had to buy the furniture.

Mr. Phillips: Well, I was just going to mention that. Maybe the Minister has been too busy spending that \$86,000 for furniture and getting himself set up in an office.

What is needed in that department is action. I would suggest to you, Mr. Speaker, that if there isn't action very soon, what I mentioned a moment ago about businesses going to Alberta will continue to do just that.

Now, I would like to mention just before I leave this particular subject, Mr. Speaker, a particular project which could be a large manufacturing industry in the northern part of the province.

A man wants to manufacture a wheeled vehicle for use in the oil fields, the construction of oil pipelines, and so forth, patterned after a vehicle built in Calgary that has been very successful in the world markets. Purchased by the Russians, used all over North America for oil field development in muskeg, and so forth. This gentleman saw a need for a smaller vehicle that could be purchased by smaller contractors. A vehicle that, instead of selling for \$75,000, would be in the vicinity of \$35,000. He did research with the manufacturer of the first vehicle, has his complete engineering study done.

This proposal was passed to the Minister of Industrial Development, Trade and Commerce (Hon. Mr. Lauk) over a month ago. Mr. Speaker, the Minister says: "Well, we haven't got our department organized quite yet. We'll take a look at it. We haven't hired the men in the department yet." I urge the Minister to get some action going in that department. Sitting on \$25 million while secondary industry slips across the border into the neighbouring province

of Alberta.

Mr. Speaker, I want to, for just a few moments, discuss the portfolio of Housing. I want to add to some of the remarks made by our leader just a few moments ago when he discussed this very, very important subject. Unfortunately, Mr. Speaker, I have to say that the Minister in charge of that portfolio — one of the most crucial portfolios in the Province of British Columbia, one of the most crucial portfolios in this government — has done absolutely nothing to alleviate the housing crisis in the Province of British Columbia. I think the only positive action he's taken is to hire himself a Deputy.

This portfolio, Mr. Speaker, was given \$10 million in the spring session and the now Minister was given a portfolio and the authority of this House to spend that \$10 million to alleviate the housing crisis in the Province of British Columbia.

In the fall session he was given an Act creating a department with which he has done absolutely nothing. It's a small wonder, Mr. Speaker, that in the throne speech His Honour had these words to say: "The continuing difficulties in the housing field must still rank as one of the major problems facing our people."

I wish that our Minister of Housing (Hon. Mr. Nicolson) would realize that the continuing difficulties in housing rank as the number one problem in British Columbia and that he would do something about it. His Honour goes on: "The recently created Department of Housing has for the first time committed all federal housing funds allocated to this province."

I would suggest to you, Mr. Speaker, that in the past maybe all of the federal housing funds weren't committed, but there was certainly more action in the Department of Housing and more action to create housing than there has been under this portfolio.

Mr. D.A. Anderson: They didn't have a department.

Mr. Phillips: No, we didn't need a bureaucracy. But there was lots of action wasn't there? Lots of action.

"The landbanking programme will be expanded, but with greater emphasis on immediate development of Crown land in all parts of the province."

Well I don't know about this landbanking; I'll have a bit to say about that in a few moments. But the Minister of Housing has unlimited power to alleviate the situation. As a matter of fact, this Legislature gave him that power with a great deal of questioning in the fall session — questioning as to his ability and questioning as to whether he needed all that power or not. But even with all the power he doesn't know how to use it.

Now, had we restricted him in the legislation, had they accepted our amendments, had his hands been tied, he could have come back to the Legislature and said: "I can't do it because I haven't got the power." Mr. Speaker, that's not the case. He has unlimited power.

Last year in this Legislature there were good recommendations given to him by the legislators both on this side of the House and that side of the House. Good, sound suggestions which the Minister chose to

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ignore because he hasn't acted on any of them.

There have also been many reports handed down to his department, to him. Good reports. I've read some of them — good, sound reports offering positive action that the Minister can take to alleviate the housing situation in the Province of British Columbia. But, Mr. Speaker, he has chosen to ignore the good suggestions and carries on with his theory that to buy up all the land in British Columbia is going to alleviate the housing problem.

I would suggest to you, Mr. Speaker, that the Minister has a difficult time making a decision. Has the Member for Nanaimo (Hon. Mr. Stupich) got him brainwashed that before he can move in the housing he must buy

up all the land in British Columbia that is privately owned? He must buy up all the land owned by the municipalities? Must buy up all the land owned by the developers? Must buy up all the land owned by private individuals?

I would suggest that maybe the Minister of Agriculture (Hon. Mr. Stupich) has gotten to the Minister of Housing (Hon. Mr. Nicolson), and he's not going to be able to move and build a single house until he's bought all the land in British Columbia and put it in his landbank.

I would suggest to you that this Minister is so far in the woods that he has to come out to hunt. And if he doesn't take some action in this department pretty soon, Mr. Speaker, he should resign. He should resign, and pass the portfolio on to somebody who can make a decision and who isn't so far in the woods.

I would suggest to you, Mr. Speaker, that it would be far better if the Minister would take some of this money that he's using to buy land and make a deal with the municipalities to provide services to some of the land that is already owned by the people of British Columbia, because if it's owned by the municipality it's owned by the taxpayers in that municipality.

I, for the life of me, Mr. Speaker, can't see one government going and buying land from another government just so the Minister of Housing can have control over that land. I can't see for the life of me, Mr. Speaker, how this is going to improve the housing situation in British Columbia. Why not go to the municipalities that have land available, make a deal with them, and help them provide the services to those lands so that they can be developed for housing?

Our leader this afternoon who spoke just ahead of me outlined some very definite ways that this could be done. Good suggestions. I would suggest that the Minister of Housing (Hon. Mr. Nicolson) should take some action, and if he did that there could be houses constructed in this building season.

One building season has been wasted already by this government's inaction, and the housing situation grows steadily worse. Contractors are complaining about the red tape in the municipalities that is preventing them from going ahead with development. I would suggest that the Minister should meet with these municipalities and instruct the Land Commission to pull some of the plugs and do away with some of the red tape so that contractors can develop the lands that they own, because, Mr. Speaker, the longer that these developers hold this land, the higher the taxes are going to go, particularly with the assessments that have come out this year, and the end result is going to be that the man who buys that land to build a house is going to have to pay a greatly inflated price.

It doesn't seem very good business to me, Mr. Speaker, for the government to inflate the price of land by its own foolish legislation and then turn right around and pay good taxpayers' dollars to pay high prices for the land that they helped to inflate.

Mr. Member from Cranbrook (Hon. Mr. Nicolson), that isn't good business, is it? You know better than that. But that's exactly what has happened here in the Province of British Columbia.

The land freeze inflated the price of land, and then the Minister of Housing goes around and takes taxpayers' dollars and buys this highly inflated land, much of it already owned by the municipalities. I'll tell you, I have to really think about how the Minister of Finance (Hon. Mr. Barrett) could let this happen. I haven't come up with any solutions or any reason why it could be allowed to happen in this province.

"The continuing difficulties in the housing field must still rank as one of the major problems facing our peoples." That's what the Lieutenant-Governor said.

What did the Premier say last August? I quote an article from the *Victoria Times*, August 27: "Premier David Barrett conceded today that the housing situation has gone from bad to terrible in British Columbia during his New Democratic Party administration's first year in office." And it's going to get worse. The Premier predicted that housing would get worse in the Province of British Columbia because he knew that the land policies that his government brought in — Bill 42, Bill 7 1, — were going to create a greater shortage of housing than already exists.

The Premier predicted it — I'll give him credit for that — and he knew that his own policies were creating this situation.

Mr. Speaker, what are the three main costs in constructing a home? There are three main elements: one is the price of land, two is the cost of construction, and three is the interest that must be paid on the borrowed money. Let's look at each one of them separately.

The land policies, Mr. Speaker, of this government sent prices skyrocketing. I know of young couples who were planning on building a house a year ago, or in November of 1972, and when the land freeze —

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that famous order-in-council — came in in December the price of many of those residential lots that those young couples were going to build on doubled. So when they went to finish their deal with their contractor in January the price of the lots that they were going to build on doubled in price. That's the very essence of the problem, Mr. Speaker.

Threatening legislation retarded apartment construction. The threat of government controls, government intervention, the threat of government-owned and -run apartments in competition to apartments built and run by private enterprise sent that risk capital elsewhere.

This government, Mr. Speaker, must take full responsibility for the situation as it exists today. They must take full responsibility because it has been a direct result of their actions, their threatened actions, and their legislation that has created this problem. That's why, Mr. Speaker, it's very disheartening to me to see a Minister — the Minister charged with the responsibility of alleviating this situation — do absolutely nothing but go around the province buying land at prices inflated by the very government that's buying it.

The young couples in this province, Mr. Speaker, who are searching for a lot to build a new home, or young people that are looking for houses to rent or to buy, the single people in the Lower Mainland who are looking for apartments to rent, the elderly people who are looking for better accommodation, are not very happy with the actions of this government. I'll tell you, it takes more than words to build houses — it takes good, positive, sound action and good policies. You can buy all the land from here to the Atlantic Ocean, but that doesn't necessarily say that there's going to be any houses on it.

In the past 12 months the government has done absolutely nothing. All they want to do is get all the control of all the land in British Columbia right here in Victoria. This was the main intent of Bill 42. This is what the Premier meant when he said that private ownership of land is one of the most vicious aspects of capitalism. This is what the Member for Comox (Ms. Sanford) meant when she said private ownership of land is not in the best interests of the state. This is what the Minister of Agriculture (Hon. Mr. Stupich) meant when he said on an open-line show that we'll remove those people from their land by friendly persuasion — persuasion by taxation.

I would suggest to you, Mr. Speaker, that in the past there have been good developments in municipalities on land owned by municipalities. Good construction projects, good houses built. I refer to the town of Mackenzie and I refer to the town of Fort Nelson where the land was owned either by the Crown or by the municipality. The land was serviced and the land was sold to individuals for housing sites on which individuals were able to build their own homes and were able to own.

But I forgot. The policy of this government, Mr. Speaker, is to see that nobody owns any land.

This same type of project could have been going on throughout the province last year. But what did the government do? The Minister of Municipal Affairs (Hon. Mr. Lorimer) writes out and says: Do you know any land we can buy back from you? We'll do the development. We want you out of it. Do away with all the local autonomy; do away with any input by the local governments. We'll own the land; we'll do it all. We'll buy the land and we'll lease it back to you because we don't want you to own the land that your own house is on. That's the policy of this government: owning and controlling.

The threat of it, the policy of it, the theory of it has deteriorated the housing situation in the Province of British Columbia. And that government must take full responsibility for it, Mr. Speaker, absolutely, unequivocally. The full responsibility lies with the Members opposite and their policies, their theories. It might look very good on paper but it just doesn't work in practice. This government has been in, Mr. Speaker, almost a year-and-a-half and it hasn't taken a positive action to relieve the housing situation. All they've done is aggravate it.

The first stirring of this great and powerful Minister (Hon. Mr. Nicolson) was to try and keep up with his Ministers by purchasing for himself a private-enterprise company. I would suggest to you that this action taken recently by the Minister in the purchase of Dunhill Development Corp. Ltd., a private-enterprise company one of those companies that this government loathes, despises. Rip-off artists, they call them — land-grab artists. Yet this government, this Minister, goes out and buys himself one of these companies.

I would suggest to you, Mr. Speaker, that if the government thought they could do things better themselves, why didn't they do it? Why did they have to go out and buy a development company? The Minister says there were two reasons: one was to get the current assets of the company, namely land. No. 2 was to buy themselves a management team of 34 people which would be an asset to his department.

Now, Mr. Speaker, I want to suggest to you that this maybe isn't a housing corporation, but what did the Minister have to say in the fall session about setting up a Crown corporation? I'd like to quote to you from *Hansard*, October 12, 1973, during debate on the Act which gives this Minister his authority to solve the housing problem in British Columbia: "There is, within the Act, a vehicle to create Crown corporations. Now in my view, the purpose of this section is not to create the British Columbia housing corporation." But what does he intend to do with Dunhill Development Corp.?

I think, Mr. Speaker, that the Minister of Housing

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should tell this Legislature exactly what his intentions are. This is one of the reasons that this opposition fought some of the powers that were in that housing bill. A Minister who hasn't proven to me that he has the business experience to solve the problems in this department goes out and pays \$5.8 million of the taxpayers' money to buy a development corporation at, I might add, Mr. Speaker, a very inflated price.

He says; and I quote from *Hansard* again: "I would envisage, if that event should occur," which it just did, "that it would be brought in as a piece of legislation in its own right." But was any legislation brought in by the Minister when he purchased Dunhill? No. Another example of saying one thing and doing exactly the opposite. He says: "I would imagine that if we're going to set up a Crown corporation we would bring it before the Legislature."

This is a type of power given to these Ministers that this opposition has been fighting for years.

Hon. G.V. Lauk (Minister of Industrial Development, Trade and Commerce): Years and years and years. (Laughter.)

Mr. Phillips: It seems like you've been in for years. You've done enough destruction. It would have taken any normal government 20 years to do as much destruction as you've done.

We are afraid of the very powers contained in these bills. This Minister goes out and buys his own little corporation so that he can keep up with the Minister of Lands, Forests and Water Resources (Hon. Mr. Williams). He's got two or three companies — to keep up with the Premier who is busy buying companies. So the Minister of Housing says, well, I've got to have a company. So he squanders — and I say squanders because I predict that this move by this Minister will cost the taxpayers of British Columbia hundreds and hundreds of thousands of dollars.

I suggest to you, Mr. Speaker, that it was not an intelligent move; it was not a good business move. But maybe the Minister is having difficulty getting people to work for him. Maybe he had to go out and buy a management team. Maybe that's what the Minister of Industrial Development, Trade and Commerce (Hon. Mr.

Lauk) should do; he should go out and buy a corporation, buy himself some management, because it's sure taking him a long time to hire anybody in that department.

The Minister says: "...I would anticipate, to create a Crown corporation — perhaps to wind up the affairs of the corporation upon completion of the project." Mr. Speaker, I ask you what project he has in mind for Dunhill and how long it will take to complete that project, because I would suggest that housing in this province is going to be a recurring project for years to come. I do hope, Mr. Speaker, that the Minister will have available to him some reasonable explanation for his actions when his estimates come up.

I sometimes wonder, Mr. Speaker, why we even need to call the Legislature together, because the Ministers have taken to themselves all the power they need to do exactly as they want to do.

From the time the Legislature last sat, the Premier has gone out and he bought himself a whole bunch of shares of Westcoast Transmission. No referral to the Legislature. This is what we cautioned him about when the bill was passed, when he took unto himself those fantastically awesome powers last spring. He has bought shares in B.C. Tel. Why, Mr. Speaker?

We had legislation when we bought Colcel and Ocean Falls. We had separate legislation. I'll certainly give the Minister of Lands, Forests and Water Resources (Hon. Mr. Williams) credit for that. He brought it to the House. But our Minister of Housing doesn't bring in any legislation; he just goes out and buys himself a corporation for \$5.8 million. Maybe it's because the Minister of Lands and Forests spent a lot more than \$5.8 million, but I would suggest that that's a pretty fair hunk of money for the Minister of Housing to spend for a management team and some rocks and boulders up in Kelowna.

Let's take another look at one of the reasons he gives for purchasing this corporation. He wanted to buy their assets, their undeveloped land. I say to this, Mr. Speaker, hogwash.

I want to quote from a report of the Residential Living Policy Committee to the Greater Vancouver Regional District in December, 1973. What does it say, bearing in mind, Mr. Speaker, that this Dunhill corporation was purchased so that the Minister of Housing could have some land to build houses on? What does this report say about available urban land on the lower mainland?

"Various projections of the Greater Vancouver Regional District planning department indicate that undeveloped land designated for urban residential use range from 30,000 to 60,000 acres."

How many acres did Dunhill have, Mr. Speaker? What were the assets of Dunhill?

Interjection.

Mr. Phillips: The Minister says he is not going to reveal that until the deal is made, until all those little shareholders who purchased shares at \$6 apiece have succumbed to the will of this government and sold them for \$4.50. Then maybe he'll let us know. That's the reason that this opposition doesn't want these Ministers to have these awesome powers. The undeveloped land designated for urban residential use is both too high and too low.

Interjection.

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Mr. Phillips: The fallacy is in the fact that you purchased it at all! No matter what you did you did it wrong. You shouldn't have bought it in the first place. You paid too much. You paid too much for the management team; you're making millionaires out of about 12 people and you're stealing from the rest. That's why you should stay out of the marketplace. Absolutely! That's why you should stay out of the marketplace. That's why you shouldn't invest the taxpayers' money in corporations. That's the reason.

Hon. D. Barrett: Is there a doctor in the House?

Mr. Phillips: I'll tell you, you'd better get a doctor for that Minister of Housing.

Interjections.

Mr. Phillips: Absolutely. When you go and buy corporations and buy shares in corporations, no matter what you do, it's wrong. You hit the nail right on the head, Mr. Premier. That's what we've been warning you about, but you're too cock-eyed stubborn to take good advice. That's why you make mistakes, no matter what you do. Maybe someday you'll smarten up, but I don't hold out too much hope for you.

Hon. Mr. Barrett: Now you're attacking us.

Mr. Phillips: Mr. Speaker, the Premier says I'm attacking him. He doesn't know when he's being attacked.

Interjections.

Mr. Phillips: That, Mr. Speaker, is the reason that this government should not be going to the stock market and buying shares in corporations.

Hon. Mr. Barrett: How would we do it? Your way?

Mr. Phillips: You stay out of it! If you're not smart enough and your Minister of Housing is not intelligent enough to go out and hire help, good management — he has to buy it with the taxpayer's dollar — he should be fired.

Interjection.

Mr. Phillips: You hit the nail right on the head. No matter what you do, when you use the taxpayers' dollars, and you go in to buy shares in a corporation, you're either going to be paying too much or too little. The same thing happened with B.C. Tel.

Interjection.

Mr. Phillips: Sure. That's all right. I'll go back. I'm staying right here and I'm going to tell the people of this province how you're mismanaging their tax dollars. That's my responsibility.

I would suggest, Mr. Speaker, that if the Premier wants to make any accusations about the way I do business he should do it on the floor of the House and not use the same tactics that he's used to using. Why don't you go on television and do it? That's where you usually make your accusations. Go on television.

Mr. R.T. Cummings (Vancouver–Little Mountain): Tell us about the Columbia River.

Mr. Phillips: Mr. Speaker, my point was that it was not necessary for the government to buy Dunhill Development Corporation to get either a management team or to get land. I'll just continue reading from this report which tells the people of this province and tells the legislators here that there is plenty of land available for housing in the Lower Mainland.

I'll start over again because I was interrupted. I'm quoting again from this report:

"Various projections of the Greater Vancouver Regional District planning department indicate that undeveloped land designated for urban residential use ranges from 30,000 to 60,000 acres. These projections exclude all areas designated for use as, for example, industrial, commercial, parkland, greenbelt, utility, railroad, et cetera."

In other words, it's strictly for residential use.

"Using the lower figure of 30,000 acres and assuming the density of only six dwellings per acre, there is sufficient, largely unserviced designated land to meet the single-family-dwelling needs of the region for 30 years plus the projected apartment land

needs for 30 years with land to spare."

Mrs. D. Webster (Vancouver South): Where did you get your figures?

Mr. Phillips: That is from a report dated December, 1973, Mr. Speaker. And the Minister of Housing tells me and the taxpayers of this province he has to buy Dunhill because he needs their assets, their land, when this report says that there is enough land available to do residential housing and apartment requirements in the Lower Mainland, the Greater Vancouver Regional District planning area, for 30 years. Who does he think he's fooling, Mr. Speaker?

The report continues:

"One of the great fallacies is that the region has run out of available land for housing.

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Nothing could be further from the truth. There is a shortage of serviced land, but not of land."

I would suggest, Mr. Speaker, that if this \$5.8 million had been put to use servicing land in the lower mainland, then some positive, constructive steps could have been taken to alleviate the housing crisis in the lower mainland. But that's good common sense, Mr. Speaker, and this government doesn't use good common sense. They run on a theory.

I want to blow a hole in another one of their fallacies that they're trying to spread around the public of British Columbia:

"Nor are there large developers responsible for the situation. The best available evidence, which is not complete, indicates that only 10 to 15 per cent of the undeveloped land is held by the six major developers. The remainder is held either by municipalities or small holdings by individuals."

Now, Mr. Speaker, you tell me why that government has to go out and buy all of that land in what they tell us is a need to alleviate housing in British Columbia, particularly in the lower mainland.

There's one other interesting aspect of this report, Mr. Speaker, something that I've said several times since I have been speaking here this afternoon:

"Part of the increase in the cost of the average house sold through the multiple listing service, of course, is a reflection of the better quality, but most of the increase lies in the cost of serviced land and of money."

I'm not the only one who believes that the greatest increase in the cost of housing in British Columbia is the cost of land and the cost of money.

Now, I'd like to take just another short look, Mr. Speaker, at this management team that the Minister of Housing got for himself when he bought Dunhill. I would suggest to you, Mr. Speaker, that if this Minister follows the same guidelines that have been used by some of his cabinet colleagues, this management team will flounder and, fail under his direction.

I would suggest that if the Minister would leave this management team free of political decisions, free of cabinet orders, and tell them what he wants them to do and let them go out and do it, this management team might be able to function. But I would suggest to you, Mr. Speaker, that this Minister will be giving this management team directions based on his theories, and that the No. 2 asset that he says he acquired by purchasing Dunhill will not be an asset at all, but will turn out to be a liability — not because of their skills, not because of their lack of ability in the field, but because of direction that will come from the Minister of Housing.

Government intervention has almost been the ruination of ICBC. There are good people in that corporation — good experienced people, people with a lot of management ability, people with a lot of know how, Mr. Speaker. Why is the corporation floundering?

Hon. D.G. Cocke (Minister of Health): Who says it's floundering?

Mr. Phillips: It's floundering. Go out there and talk to the people and you'll see how it's floundering! I wasn't even going to discuss ICBC this afternoon. Do you want me to tell you how you didn't live up to your promises of 20 per cent lower rates? Do you want me to tell you about compulsion in ICBC?

What I'm trying to point out, Mr. Speaker, is that there is government intervention in the function of ICBC. And if there is government intervention in this management team, nothing will happen. We'll have bought an asset that will turn into a liability.

The government says that the management team and the Dunhill corporation will be involved in developing land that the government has acquired. I would like to know just what the Minister's intentions are with regard to developing this land. Is he going to sell this land back so that a person can buy the land that their house is going to be on?

He says that this asset of management will be instrumental in building low-rental housing. But this team, Mr. Speaker, this management team, has been building expensive condominiums. Now are they going to change their methods overnight and start building low-cost housing? There's a big difference between an expensive condominium — a \$50,000 or \$60,000 condominium — and low-rental housing. There's a lot of difference in some of the appointments, some of the materials used. But here's a team, experienced in building condominiums, now going to be put to use building low-rental housing.

The Minister said also that he was going to continue the real estate side of Dunhill Development. Is this an announced policy by the Minister of Housing that the government is going into real estate sales? Is this a continuation of a policy, which was mentioned in this House, by one of the Members, of putting all real estate people on salary? I think it was the Member for North Vancouver–Seymour (Mr. Gabelmann).

You see, Mr. Speaker, when you have experience in dealing with the government opposite you have to read things into what they're saying, because usually they do some of the things that you would never suspect them of doing. So now I'm led to believe, by the Minister's statement, that he's going to set up a real estate department, I presume, so that people who are buying houses won't have to pay real estate fees. Is that what the Minister intends to do? It will be interesting to hear the answers to some of these questions.

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Does this government consider property ownership immoral? That's one of the questions that the people of this province want answered. Land is still the big cost of housing, and the purchase of Dunhill's land assets — its inflated prices — will add to the cost. Paying \$4.28 a share, twice the traded price in 1973; 420 shareholders, but 12 persons owning 80 per cent. Twelve out of the 420 shareholders own 80 per cent of the company.

Who is going to get rich on this deal at the taxpayers' expense, Mr. Speaker? That's why this government should stay out of the private enterprise field. As the Minister of Lands, Forests and Water Resources (Hon. Mr. Williams) has said: no matter what they do, they make a mistake. And that's exactly true.

What really bothers me, Mr. Speaker, is the pressure that this Minister of Housing says he's going to exert on the remaining 408 shareholders. I quote from a recent article in *The Vancouver Sun* where the Minister of Housing, Nicolson, in an interview indicated that the government would use its legislative authority if necessary to gain 100 per cent control of Dunhill. That, to me, has smatterings of dictatorship, Mr. Speaker.

The little people's government is going to force the remaining shareholders to sell. If they don't want to sell, that's too bad. Big Daddy government is going to force them to sell. Why? Well, the Minister says: "You know, if they remained as minority shareholders they'd be able to take advantage of some of the government's decisions" — when the company supposedly makes a profit.

I would advise those people to sell, because under the direction of this Minister those shares can't help but go

down. So I would advise them to sell before the government forces them to sell. On the free market, Mr. Speaker, these people had the opportunity to wait until their shares came back to the same price for which they purchased them. That's what they expected when they bought those shares. They paid \$6 for them. But this little people's government is forcing them to sell, to take a loss.

Had the company remained as a viable enterprise in British Columbia, had they built houses and continued to do what they were doing, there is a possibility that those shares would have gone back up to the original purchase price. It's one more reason, Mr. Speaker, why the government should stay out of the private enterprise field.

The Minister says we would be extending the privilege of the Crown to the minority shareholders. Are the majority shareholders extending the privileges of their knowledge to the government as a minority shareholder? Are the majority shareholders in British Columbia Telephone extending the benefits of their management knowledge to the minority shareholder B.C. government?

It's a little bit of a flip-flop, isn't it, Mr. Attorney-General? If the government becomes the major shareholder, they don't want to extend the benefits to the little fellows that are left. But when the government is the minority shareholder they're quite willing to take the advantages of the management team of B.C. Tel and Westcoast Transmission. What's good for you is not good for somebody else.

Make the same offer for all. What a great offer you made to these people: sell or we'll force you to sell. Some offer. Some price. Some price! Oh, I'll tell you, Mr. Speaker, if it's good for this government, it's great. But if it's good for anybody else, it's bad. Nobody else can own land. Nobody else can hold any shares in a corporation in which the government is the majority shareholder. I'm surprised that the Minister of Housing didn't come up with a feeble excuse like the Minister of Lands, Forests and Water Resources (Hon. Mr. Williams) when he said: "We had to buy Colcel to protect the small investors." To protect the small investors!

I would suggest to you that I'm going to go out and in every company that is floundering in British Columbia I'm going to buy shares, because the policy of this government is that if the company is floundering, they're going to buy it out to protect the small investors. That's what the Minister said, exactly what the Minister said. That's the reason he purchased it: to protect the small investors.

I'll tell you, if I were running a large company, I'd pocket the profit, go to the government and say: "Look, I'm going broke. These 100 or so employees I've got are going to be without a job."

It depends on what industry I have — whether it's mining.... I run to the Minister and I say: "Look, buy me out; I'm going broke." And the government says, "Well, certainly I'll buy you out — first of all, to protect the small investor and, secondly, to keep those people working."

Extend this policy to its limits, Mr. Speaker, and what do we have — the government moving in to take over every company that's going to go broke. They said it; I didn't. I'm just outlining their policy. They made it. Or is that just, Mr. Minister of Lands, Forests and Water Resources, in the lumber industry?

Interjection.

Mr. Phillips: No? The Minister says, "No." So it's not just businesses in the lumber industry; it's in any industry. Oh, it's a sorry day for the taxpayers of British Columbia — a sorry day.

I would suggest that this management team which the Minister of Housing (Hon. Mr. Nicolson) purchased himself for \$5.8 million will be a pretty well-heeled management team. Not only did he make semi-millionaires out of them but he's going to pay

some of them I understand about \$40,000 to \$50,000 a year on top of that to work for him.

Mrs. Jordan: Plus expenses.

Mr. Phillips: Plus benefits? Oh, plus expenses. Well, I'll tell you, that's a pretty good deal. Sounds to me like a pretty good deal these fellows....

I'd like to know, Mr. Speaker, what the real reason for the government purchasing Dunhill is all about. What is the real reason?

Mr. Chabot: Sold a bill of goods.

Mr. Phillips: What is the real reason? I have surveyed a few of these management contracts when people have been purchased out. You know, they're supposed to stay there and run the business for three or four years. I did a survey on a few of them. Not one of them worked out successfully. Not one of them.

Interjection.

Mr. Phillips: I don't want to mention private names.

Some Hon. Members: Why not?

Mr. Phillips: No, I'm not going to mention the private names. I'd be quite happy to tell the Member in private.

Interjection.

MR. PHILLIPS: Not at all. These people, after a year under the new management, after running their own business and making their own decisions, after a year of somebody telling them to run a business then seeing it go into the ground, they say: "No, I want out." They built up the business and they don't want to see it run into the ground by the mismanagement of the new owners, That's why they.... It's not a broken contract at all. Simple arithmetic, simple understanding of the business world. You know very well, Mr. Member, exactly what I'm talking about. Very well you know.

So I would suggest that we really haven't got that much of a management team.

Now, I want to talk just for a moment, Mr. Speaker, about the second cost of housing — the cost of actual construction. Both the federal and provincial governments agree that there is a housing shortage in Canada. Mr. Speaker, this is in our Canada, a land endowed with natural resources and unlimited land space — there is a shortage of housing. Unlimited timber, unlimited natural resources, unlimited cement, gyproc, asphalt isn't so unlimited today — but metal for nails, clay for bricks — yet there's a shortage of housing in this Canada of ours. It just doesn't add up to me.

The federal government says: Oh, we want to help the housing shortage; we want to help the housing situation. Yet they tax at the rate of 11 per cent every brick, every nail, every roof shingle, every sheet of plywood that goes into the construction of housing. Is that helping a young couple who is trying to acquire their first home? Is that helping them? Tax them income tax, tax them on the building material and then go out and say: Oh, we'd like to help the housing situation.

Same thing with the provincial government. The Premier says that the housing situation is critical. But I don't see him making any moves to remove the 5 per cent sales tax on the materials which go into a house. Why don't the people who do all the talking take some action?

You know, the federal government that taxes at the rate of 11 per cent every brick, nail and item that goes into a house turns around and takes those very same taxes and subsidizes the construction of wineries, distilleries, carpet manufacturing plants — you name it.

Hon. Mr. Macdonald: You're supposed to be attacking us.

Mr. Phillips: I am outlining the problem, Mr. Attorney-General.

Mr. Speaker, does that seem reasonable to you that the government which says there's a critical shortage of housing, they want to help it, then tax the materials that are going to go into a house, make cash donations to manufacturing plants, loan money to these manufacturing plants at low interest supposedly to create jobs?

I would suggest to you, Mr. Speaker, that both the provincial government and the federal government get together. And if they really want to do something about alleviating the housing situation that they take some of these millions of dollars and make them available. And suggest they remove the punitive taxation that now exists on building material. Then maybe the taxpayers of Canada and the taxpayers of British Columbia would realize that their legislators mean what they say.

These giveaways to these large corporations are being subsidized by every young homeowner in British Columbia, by every old age pensioner who moves into a housing programme. The cost of their housing — taxes — being given away to large corporations.

This government, the Government of British Columbia has tax coffers that are overflowing. The removal of the 5 per cent tax on building supplies would cost very little in the reduction of revenue. But

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to the individual who is trying to scrape up that extra \$200 or \$300 for the down payment on a house, it would mean a lot.

The third cost in the construction of a house, Mr. Speaker, is the cost of the money. Very few people, young or old, can go out and pay cash for a new house. It's their first investment and the largest one they make, so the money must be borrowed. And I would suggest that if this Minister of Housing (Hon. Mr. Nicolson) wants to do something positive to alleviate the housing situation in British Columbia, he think about subsidizing the interest rate to those who want to build houses. Building the house and leasing it back without the option to purchase will not solve the housing situation. It didn't do it in Sweden; it hasn't done it in Britain. These projects deteriorate in value because of the lease-effectiveness. But a person who has the pride of ownership of his own home, his own apartment, his own condominium, you name it — there is a pride of ownership and they are looked after. This has been proven time and time again.

So what I suggest is if this government wants to take some positive action, they increase moneys available under the home acquisition grant Act.

Interjection.

Mr. Phillips: Well, that was a step in the right direction by the past administration, one that provided a great incentive to housing starts in British Columbia.

If you keep on squandering that money over there and investing it in everything else but where it should be invested, the tax dollars won't be there for you to do the very thing that that Act was set out to do.

Mr. Speaker, this government is supposed to be a government of the people. But what do they do as soon as they come to power? They go out and they buy corporations; invest the taxpayers' dollars and the investment funds in corporations.

I would suggest that if this government really wanted to do something for the people, they would make some of that money available to the people for housing — set up a provincial mortgage company. Don't replace CMHC, but supplement it for old folks homes, low-rental housing, and so forth. The province could step in and use low or no-interest money. The difference in interest could be paid out of general revenue. Wouldn't that be a lot better, Mr. Speaker, than going around buying up \$5.8 million dollar companies and investing it in Westcoast and B.C. Tel. That would be fulfilling some of the promises that this government made to the people of the province before the election.

They could set up a mortgage banking system whereby they guarantee loans from either individuals or from the credit union or any other lending institution. And they could start out, as I said before, by providing interest-free money for low income housing — housing that would eventually be owned, not leased. Housing that, when owned, would be looked after because it would be the property of the occupant.

I would suggest, Mr. Speaker, that if this government really wants to put people first, really wants to solve the housing situation in British Columbia, they will take some of the good suggestions that have been made in this House today and put them into action. If they don't they will be doing a great disservice to the unhoused people in British Columbia.

Talk about money? People lose heart when they have a \$25,000 mortgage and look at it after three or four years of high monthly payments and see that the principal has been reduced but a very little. That's one of the true costs of housing. That's where this government has the great opportunity to use the millions of dollars of surplus it has to provide a service to the people of this province.

I've mentioned in this House before, Mr. Speaker, that we must find new methods of construction in the housing industry. I would suggest that the association of the housing contractors would strengthen itself and do a better job of policing its own contractors to eliminate some instances of shoddy work that has been found in the housing field.

I would suggest, also, Mr. Speaker, that if the building contractors in this province don't do a better job of policing, the government will be bringing in regulations to do it for them. So I'd like this to stand as a warning to home builders in British Columbia: either they tighten their own belt in their own method and do a better job of policing their own contractors or the government opposite will be bringing in regulations which will do it for them.

I'd like to quote from an article in *The Province*, dated January 11, 1974. Here's what has happened in Manitoba. "The Manitoba Law Reform Commission has recommended new homes sold in the province be guaranteed against major defects for as long as 10 years."

I would suggest to you, Mr. Speaker, that this guarantee will increase the cost of housing in Manitoba by at least 10 to 15 per cent. I would suggest that this government will bring in legislation to do the very same thing in British Columbia unless the contractors clean up their own backyard.

Unions must be ready to accept new methods, new materials and new techniques in the housing industry. They must be ready to accept new techniques because building must allow new technology to come into that particular industry. The building code must be changed to allow advance in technology to catch up in home construction. New methods and new materials must be found.

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But I do want to say, Mr. Speaker, that the actual cost of constructing a home, the actual cost of the labour and the actual cost of materials are not the big drawbacks. They are the price of land and the cost of money.

Mr. Speaker, this Minister has two theories which I am afraid he is imposing on the people of this province in his particular department: one of them is landbanking and the other is to lease homes without the option to purchase. The government will own all the land, own all the buildings and do all the leasing. If this is the policy that this Minister of Housing is going to use, then I suggest that it will be a long time before we're out of the woods with regard to the housing situation in British Columbia. I hope the Minister will provide this session of the Legislature with facts before the session is over.

Now, Mr. Speaker, the throne speech was noticeable because there was no mention in the speech of education. This government that was going to solve all the education problems within six months of becoming government had all the answers when they were in opposition. They had all the answers during the election campaign. The Minister of Education (Hon. Mrs. Dailly) had all the answers in that 10-day fall session in October of 1973. She had all the answers. Now that Minister has had to come to grips with some of the realities in the field of

education in this province.

No mention of education, Mr. Speaker, in the throne speech. The problems in the field of education have multiplied in the last year and a half. They haven't been solved; they've multiplied. This is quite amazing because this government had all the answers. The Minister was going to solve all the problems in the Department of Education with money. Unfortunately, the Minister of Education had learned a very costly lesson.

Hon. Mr. Lea: Where's your programme?

An Hon. Member: Twenty years of neglect.

Mr. Phillips: I wonder if two years from now they'll still be saying 20 years, 20 years. When is this government going to realize that they are government now and that they must be responsible for their own actions, or inactions? They are the government that said they had all the answers, that money would solve the problem, that said we didn't know how to run a Department of Education. They've multiplied the problems. The morale in schools today of students, teachers and trustees is lower than it has ever been. Talk to the students; talk to the teachers. I remember, Mr. Speaker, standing in this House last spring and speaking against a dictatorial decree by the Minister of Education to ban the strap. Oh, that was going to solve all the problems. What has happened, Mr. Speaker, since that dictatorial decree? What has happened in the classroom?

Interjections.

Mr. Phillips: Don't you make light of what I'm talking about because it's a very serious situation, a very serious situation. Go into the classrooms; go talk to the students.

Mr. P.C. Rolston (Dewdney): We have.

Mr. Chabot: Go back and count your chickens.

Mr. Phillips: There is nothing between that small, mischievous behaviour and expulsion.

How many lawsuits between students and teachers, Mr. Speaker? You know, I'm really surprised at the way this very serious matter is treated by some of the Members opposite. It's a serious situation. No matter how light they try to make of it, it's not going to go away. Teachers having to sue students because they don't have the authority to stop them, with the exception of expulsion from school.

Good students, good determined students, good students, having to put up with the frivolous actions of mischievous students, a deterioration of morale in the classroom — that's the result of this removal of the strap.

Mr. Attorney-General, how many lawsuits have there been?

Hon. Mr. Macdonald: None.

Mr. Phillips: Oh, Mr. Attorney-General, you had better find out what's going on in your department. The Minister has failed the taxpayers, the students. It's a depressing situation.

The Minister was going to solve all the problems in the Department of Education with *An Act to Amend the Public Schools Act*. Oh, I remember it well. I remember it well. I'd like to quote from *Hansard*, October 23, 1972.. That famous 10-day session, that session of the Legislature, the purpose of which was to repeal all the nasty legislation that the Socreds had on the books.

The Hon. E.E. Dailly, Minister of Education:

Mr. Speaker, in moving the second reading of the bill, I would like to briefly outline the basic principles behind it, because after all we are going into committee stage and will have the opportunity to go into detail then. But as we're discussing it in principle that's what I'm going to refer my remarks to at this time

One of the provisions, of course (in this Act to Amend the Public Schools Act) is the restoration in the Province of British Columbia of the right for trustees and teachers to again engage in free collective bargaining. This bill, and I know you've all read it, will also remove the imposition by the Minister of Education of arbitrary limitation on salary increases.

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This is going to solve all the problems in the Department of Education that supposedly existed at that time.

An Hon. Member: That will all be settled by bargaining this year.

Mr. Phillips: Also inherent in this bill are changes in the calculation of the approved operating expenses for school board budgets. This bill also eliminates the operating budget referenda principle. Which means that we in this government believe in restoring local autonomy and decision-making powers to our local school boards.

The cure-all, Mr. Speaker:

These changes we hope, and we are sure to some degree (very sure at that point in history) will relieve the stringent financial restrictions which were imposed by the previous government on school boards.

Oh my, isn't it nice to look back some time, Mr. Speaker? What did we say here? What did the official opposition say when this Act was being changed? We asked the question: will it improve education in the Province of British Columbia?

"Educational programmes were curtailed across the province because of the very severe restrictions of the former government." But about a year later, a little over a year later, that same Minister, and I quote an article in the *Vancouver Province* that says: "Dailly, blames boards for school cost jumps." Oh, how the tune changed. My, how the tune changed. The Minister comes to grips with some realities. She got a lesson.

An Hon. Member: She got the strap!

Mr. Phillips: No, she threw that out. (Laughter.)

Oh me, how theories change when it comes to put them into practice. She blames the school board! But here she says: "We believe in restoring local autonomy and decision-making powers to the local school boards." A year later she blames them for the increased costs of education. She doesn't only blame them for the increased cost in education, she actually comes out and hits the trustees of this province as being irresponsible. Sure, but a mere year or so previous to that, Mr. Attorney-General, she says: Oh, we're going to change the Act. Spend all the money you want.

All right, I'll read a little further.

An Hon. Member: You're making it up.

Mr. Phillips: I'm what?

An Hon. Member: Making it up.

Mr. Phillips: Making it up? He who has ears to hear, let him hear. I'm reading from the word of *Hansard*, Mr. Speaker. I'm not making up anything. I know, Mr. Speaker, that the Minister of Education wishes I were making this up. She wishes it were just a bad dream. It's reality — \$82 million increase to the taxpayers for the cost of education in one year and the Minister says that's irresponsible. That isn't what she said when she was taking away this onerous Act the Socreds set out.

Oh my, no. My, my, we're going to restore local autonomy to the school trustees. Let them go ahead. Let them make their own decisions. They don't have to go to the taxpayers. After all, who are the taxpayers? They just provide the money.

I quote from *Hansard* again: "The people of this province were not taken in by the former government's attempts to whip up a very phony taxpayers' revolt against education."

Now, I suggest to you, Mr. Speaker, that trying to protect the taxpayers' dollars was not trying to whip up a very phony revolt, as the Minister put it. Now, Mr. Speaker, I hope the Minister of Education understands what tax dollars are all about. And I hope she understands the awesome costs of education, and what can happen to the costs of education, and what can happen to the costs of hospitalization and health care if the government doesn't use a great deal of discretion.

I went back in *Hansard* just to find out what the Minister's attitude was like that year after she assumed her responsibilities. She accused us of whipping up a phony taxpayers' revolt against education.

Now, was she trying to whip up a revolt against trustees? Because in one breath she urged them to go ahead and spend, and the next she says, when they do, they're irresponsible.

The people of this province are naturally concerned with increasing taxes. They are also concerned with what happens to the child in the classroom. I'm concerned with what happens with the child in the classroom, Mr. Speaker. I'm also concerned about education. I'm also concerned for the taxpayers of this province.

I think that the Minister of Education owes an apology to the trustees of this province — trustees elected locally.

But, Mr. Speaker, the Premier is going to end all of that very suddenly. The Premier is going to end all of that. He is going to relieve the homeowner of the cost of education. He's going to take away the Homeowners' Grant; he's going to take away the responsibility of the homeowner paying for the cost of education and it's going to be controlled right from the Premier's office. Education will be controlled in this province. Then there will be no local autonomy. Then there will be no local school boards with any authority.

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Central control. That's the aim of this government. That's the thought behind this whole theory. What did we say about it? I quote the Member for North Peace River (Mr. Smith) who led off the debate:

It certainly is not the position of the official opposition to support these amendments, because we strongly feel that they set a precedent which will remove from the Act the system of checks and balances which were designed to protect the average citizen and the average taxpayer from being forced without his consent into providing large and, in my opinion, potentially inflationary increases in financing our educational programmes.

That's what the Member for North Peace River said when he led off the debate for the official opposition.

"Without his consent into providing large and, in my opinion potentially inflationary increases in the cost of education." What happened this year? Those predicted increases came about — \$82 million in one year. And what did the Minister of Education tell the trustees of this province? That they were being irresponsible. We predicted this would happen.

But no, that government runs on a theory. Forget about good business, sound business principles, just as long as we have a theory. Sometimes I feel that the government would be well advised to take a lesson in good old human nature.

Then during this debate about the increased costs of education, I notice our friends from the Liberal and Conservative Parties got into the fray. They had a lot to say about it. They condemned the Minister, but they supported her and they supported the legislation which took the lid off the cost of spending in education.

Interjections.

Mr. Phillips: Well, Mr. Speaker, I hope that you get the message that I have been trying to outline here today

in discussing education and the cost of education.

I was going to go into that — what shall I call it — very distasteful performance in this province, when a man was hired by this government, supported by this government, hired, in the Minister's own words, to check into the educational system and bring back reports. I refer to the Bremer commission. The Minister supported this man.

The Hon. First Member for Vancouver–Point Grey (Mr. McGeer) said, "Has this man got the qualifications? Aren't there people in British Columbia who could do this job?" The Minister said, "Oh, you've already hurt this man. You've already prejudged the report by even mentioning that he might not be qualified." The Minister went on — I've got it all here in *Hansard*, but I'm not going to take the time to read it — and protected this man, and protected his qualifications. But then the reports start coming back and they're not to the Minister's liking. Not like the Foulkes report. Foulkes was told to go out and bring in a report that we should socialize all medicine in British Columbia, so he went out and spent half a million dollars and brought back a sweetheart report — just exactly what the Minister asked him to do. I don't know why they even sent him out to do a report because the Minister knew what the report was going to be all the time.

An Hon. Member: The Cocke and Foulkes Act.

Mr. Phillips: Cocke and Foulkes Act — very good. But the Cocke and Foulkes Act cost the taxpayers of this province \$700,000 — nearly three-quarters of a million dollars. You could have brought in your own report.

But anyway, here comes Bremer bringing back parts of his report. They don't happen to agree with what the Minister wants, so she sends the Premier out to do the hatchet job.

An Hon. Member: On television.

Mr. Phillips: In full view of the public. They don't hide anything, I'll tell you, not this government. One of the first things I learned when I took on my first responsibility for other people working under me was that if you want to bawl them out, you take them into an office, sit down with them, and you say, "Look, you're not doing this right, " away from the public, away from the other employees. But what does our Premier do? If he wants to fire somebody, he doesn't even do it in the Legislature. He goes in full view, in front of God and everybody, on every television set in British Columbia, and there he swings the axe on poor old Bremer. "You're fired."

Hon. Mr. Strachan: Why was G.E.P. Jones fired?

Mr. Phillips: I didn't fire Jones, and two wrongs don't make a right.

Hon. Mr. Strachan: He was fired right here and you know it.

Mr. Phillips: Mr. Minister from Cowichan-Malahat (Hon. Mr. Strachan), do two wrongs make a right?

Interjections.

Mr. Phillips: If our Premier had any executive experience at all, he would have known that you just don't do things like that in public.

Interjection.

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Mr. Phillips: No, I'm talking about our present Premier.

Mr. Chabot: Call him before the bar. He has a story to tell. I'm sure he has.

Mr. Phillips: But anyway, this broken contract only cost the people of British Columbia \$30,000.

I just want to say one thing in closing, Mr. Speaker. I'm not going to belabour the Department of Education any further, but I do want to say that I pretty near fell off my chair today, Mr. Speaker, during the question period when the Premier tried to tell us how he justifies his actions with regard to the horrendous mess we have in assessments in this province. Oh, he didn't tell the assessor what to do. But he blamed the assessors, the poor little assessors. He says, "Oh, they must have made a mistake. They did the wrong thing."

The Minister of Agriculture (Hon. Mr. Stupich) goes out and says, "You will be allowed to own the square land that your house sits on." The Premier goes out and says, "Oh, you can own five acres."

Mr. Chabot: Less than five acres.

Mr. Phillips: You know, the sad thing about this assessment mess is that it needn't have happened.

Mr. Speaker: Excuse me, Hon. Member, one of your own Members sitting near you has brought to my attention that there's a motion on the order paper, No. 1, by the Member for Oak Bay (Mr. Wallace) that deals with this whole question of property assessment. Unfortunately, I wasn't aware of it at the start of the day, and it does inhibit any debate of any kind, or even, indeed, oral questions on the subject.

Mr. Phillips: I'm pleased to see, Mr. Speaker, that the Member for Oak Bay (Mr. Wallace) who voted to create this mess is trying to exonerate himself by putting questions on the order paper. He's like the Member for Saanich and the Islands (Mr. Curtis). Every time I turn on the TV or the radio, he's trying to say what a big mess this government has created by assessments, Mr. Speaker.

Mr. Curtis: Did you speak against it?

Mr. Phillips: Certainly I voted against it. Certainly I voted against it.

Mr. Speaker: Order, please. I think you will understand from my remarks that you can't really debate this subject since there's a motion and it would be anticipating the debate.

Mr. Phillips: Yes, well I'm not anticipating anything. I'm just trying to tell you, Mr. Speaker, of this waffle-waffle from the Member for Saanich and the Islands (Mr. Curtis). He voted for it, and now every time you turn on the television he says, "Oh, what a mess that horrible socialist horde has created."

Interjections.

Mr. Phillips: Mr. Speaker, unfortunately it's no laughing matter. It's no laughing matter. Every land owner, every homeowner in British Columbia, is up in arms. I don't know how the Premier is going to solve the problem, but I certainly, Mr. Speaker, don't agree with him telling the business people of this province to "bring me your financial statement" and telling them that if this taxation, this Bill 71, is going to create a hardship on you and you're going to go broke, you come to me and I, the Saviour, will do something about it. I want to know how that Premier is going to break his own law. Come with your hat in your hand.

Hon. Mr. Macdonald: You didn't say a word about that bill.

Mr. Phillips: I voted against it, you voted for it.

Interjections.

Mr. Phillips: Well now, I suppose they condemn us if we do speak, and they condemn us if we don't speak.

An Hon. Member: Hear, hear.

Mr. Phillips: The record clearly indicates that we were against that. I want to tell you, Mr. Speaker, while we're talking about this, I've had some hard, furious arguments with the previous Minister of Finance (Hon. Mr. Bennett) about assessments. I'm aware....

Interjections.

Mr. Phillips: Well, that's all right. You can make light of the subject, and you might think that I don't know what I'm talking about, but I was aware of the implications behind it. And now what's the Premier going to do? What did he tell us in the throne speech. Oh, we'll fix this one. We'll appoint a committee, and we'll send out some legislators, and they'll say to the Premier, because whatever they say.... Get him off the hook, that's right.

As I said in the beginning, Mr. Speaker, the affairs of this province are in a very, very sad state. It's not the legislators who are going to suffer, it's the

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taxpayers of this province who are going to suffer, Mr. Speaker. That's why I regret that we had to bring in this motion of non-confidence. I frankly wish we could have some confidence in this government, but their actions, their deeds, and their policies, have made us take this.

Hon. Mr. Barrett: Do you want to adjourn?

Mr. Phillips: No, I'm going to sit down right now. I've said my piece and I'm going to sit down.

Yes, Mr. Speaker, they're happy because I'm telling them the truth. I'm pointing out the fallacy of their ways, and they're happy that I'm going to sit down. Fallacy, error, blundering, but it's not the legislators who suffer, it's the taxpayers.

Mr. D.A. Anderson (Victoria): The lengthy debate that we've had this afternoon has probably done more for all other parties in the House but one than anything else that we could have done.

I'm delighted to see the new Social Credit Party start off with such a distinguished beginning. It is the party, of course, with the president and vice-president who are brand new people, and a leader who's got a brand new name (Laughter) and a fine start.

I would like to speak, Mr. Speaker, directly to this motion, but perhaps beforehand I could simply, on behalf of all Members of the House, point out that the Hon. Member for Vancouver–Little Mountain (Mr. Cummings) is with us today. He has been very sick and we're all delighted that he's recovered and is back with us. It's perfectly clear that with another day like today he'll be back in hospital. (Laughter.) He's been going steadily downhill under our eyes today.

Mr. Speaker, I've a fair bit to say on this motion, a motion that not only condemns the present government, but essentially condemns them for not changing the policies of the previous government. I would like, with your indulgence, Mr. Speaker, to adjourn the debate until 8 p.m. this evening, so that I can....

Interjection.

Mr. D.A. Anderson: Until the next sitting of the House? Right. Until the next sitting of the House.

Mr. Phillips: Oh, making a deal with the socialists!

Mr. Speaker: Order, please! In this House, the motion to deal with the adjournment of the House or the debate is taken separately from the time.

Motion approved.

Mr. G. S. Wallace (Oak Bay): Mr. Speaker, I ask leave of the House to withdraw Motion 1 from the order paper.

Leave granted.

Hon. Mr. Barrett moves adjournment of the House.

Motion approved,

The House adjourned at 6:03 p.m.

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