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

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**FRIDAY, MAY 23, 1975**

Morning Sitting

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The House met at 10 a.m.

Prayers.

**MR. G.S. WALLACE (Oak Bay):** Mr. Speaker, it seems there are more and more Conservatives in this House every day. Today I would like the House and galleries to welcome Mr. Frank Oberle, who is the federal Conservative MP for the riding of Prince George–Peace River.

**MR. R.H. McCLELLAND (Langley):** Mr. Speaker, visiting Victoria today is a group of 150 young people, some of whom are in the gallery now and a few more of whom may be in the gallery later, from the Mennonite Educational Institute in Clearbrook. They are accompanied by their teacher, Hugo Friesen. On behalf of the Member for Chilliwack (Mr. Schroeder) and myself, I would like the House to bid them a warm welcome.

**MR. D.E. SMITH (North Peace River):** Mr. Speaker, we have the pleasure of having with us seated in the gallery this morning a young lady from Prince George who is in charge of the Social Credit storefront office in that location, Miss Leslie Ongman. I wish the House would make her welcome.

Orders of the day.

**HON. R.M. STRACHAN (Minister of Transport and Communications):** Mr. Speaker, I would ask the House to move to public bills and orders.

Second reading of Bill 24, Mr. Speaker.

## SUCCESSION DUTY AMENDMENT ACT, 1975

**HON. D. BARRETT (Premier):** Mr. Speaker, the Succession Duty Act now provides generous exemptions from duty for bequests to families. In addition, an unconditional request to a charitable institution for use in the province is exempt to the value of 10 per cent of the estate. This was a matter raised by a number of Members of the opposition and the government back bench, and the government has accepted the proposition.

This bill proposes to extend the exemptions from duty allowed to include any bequest to Canada, this province or any municipality or regional district in the province. By this, it is hoped that persons with items of historic value will be encouraged to give them to government for the future benefit and enjoyment of all the public.

We have had the phenomenon, Mr. Speaker, of more and more citizens of British Columbia, as they reach a time of decision in their lives about historical artifacts that they may have in their possession, turning these over to the province for the enjoyment of all the people. We want to encourage this particular trend.

I now move second reading.

**MR N.R. MORRISON (Victoria):** Our policy is that we will approve the bill. But we have always felt, and I would like to repeat, that both it and the Gift Tax Act should be repealed completely. It would encourage investment in the province. I think that this Act does not raise a great deal of money, but it does discourage people. There are a number of people from other provinces who would move here and bring their money with them, but are staying away for obvious reasons.

We don't think that this bill goes far enough, but we will approve it.

**MR. D.A. ANDERSON (Victoria):** While we approve the principle of this Act, I don't personally and the party as a party does not approve of perpetuating inherited wealth. I think succession duty is a good thing and I think this exemption to allow gifts to the Crown is a good thing.

I would urge the Minister of Finance to look most closely at a matter which I have raised with him previously, namely charitable organizations. This would make it possible for a person to pass property to a city or a municipality, regional district, the province or the Canadian government. There are a number of people who take considerable interest in charities of one sort or another which are recognized as doing beneficial work to indeed relieve the public....

**HON. MR. BARRETT:** There is an exemption of up to 10 per cent.

**MR. D.A. ANDERSON:** Yes, I realize there is an exemption of up to 10 per cent, but the Minister of Finance just explained we are now lifting the 10 per cent level for certain organizations, namely the province, the Canadian government, the municipality or regional district. I would simply urge — while not opposing this bill, naturally — that the same type of consideration be given to certain charities in the future.

Many of these charities and many of these what you might call "volunteer" organizations relieve the public purse of what would otherwise be enormous expense. For example, there was the question I asked the Minister of Human Resources (Hon. Mr. Levi) a short time ago about the Easter Seals and the fact that the province only contributes 14 per cent to the transportation of the handicapped in the province. I know there are people who take a very special

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interest in this particular area, people who might well be willing to leave substantial amounts of their estates to services such as this one which, indeed, as I pointed out to the Minister, is supported to a very minor extent by the public purse and supported to a very, very large extent by private contributions for the individuals who are in the fortunate position of requiring the services.

So my only plea at this time is that the Minister of Finance will consider many of these worthwhile private and voluntary organizations who do interest certain individuals in our society very much and who, if the Act were changed to include charities, might well be even more generous when the time came to draw up their wills.

**MR. G.S. WALLACE (Oak Bay):** Mr. Speaker, we would certainly support the principle of this bill. I think society as a whole is more aware these days of the value of land and the importance of various greenbelt properties and other privately-owned assets which can be of more value to the community as a whole than perhaps to the inheritors of an estate.

I just would add that I hope both federal and provincial governments can work together in encouraging it to be easier and easier for people to make this kind of decision before death, rather than to enter into disputes at different times after the event.

There have been examples of this government receiving land by donors. In Oak Bay the other day we just received some ground from a private donor which helped to enlarge about the only park area we have in Oak Bay. This kind of example by Dr. Elkington, a long-time resident of Oak Bay, is the kind of action that we hope will become much more frequent in our province. Certainly any ways in which this government can make it easier for people to do this under the terms of the Succession Duty Act are most welcome.

**MR. D.M. PHILLIPS (South Peace River):** As our spokesman has said, we certainly agree with this. But I have discussed in this Legislature on several previous occasions about passing of farmland and farms on to sons or relatives, while the owner is still living, without succession duty. I feel this would do a great deal to retain family farms in British Columbia. The government has stated their policy on keeping family farms. Now the farm cannot be passed on to the working partners or the sons or the daughters, as it were, until the death of the owner without taxes.

The Premier and the Minister of Agriculture (Hon. Mr. Stupich) has intimated to me that there was going to be a change, and I am disappointed that there haven't been some changes brought in, both in the Gift Tax Act and the Succession Duty Act.

Maybe the Minister of Finance, Mr. Speaker, would be able to give me some more reassurance that this is on the priority list, because it will do a great deal to retain family farming in British Columbia.

**MR. SPEAKER:** The Hon. Minister closes the debate.

**HON. MR. BARRETT:** There is a method. If there's a gradual succession of passing of the farmland, the method can be handled now. But it's true that the Minister of Agriculture (Hon. Mr. Stupich) and I are looking at the whole matter raised by the Member. We aren't able at this time to go the whole way but we're certainly seriously looking at the suggestion.

The question of charitable institutions, Mr. Member, is something that I've made note of and something I'll ask the department to take a look at to see what impact it has. We had that unfortunate case of the Woodward estate, as you recall, where there was a great public fight between the former government and the Woodward estate. There is the question here about the nature of some charitable institutions. I'm sure that almost all of them are valid. The question of a charitable institution, say, overseas or in the United States for service perhaps there unrelated to British Columbia, where the wealth of the deceased was created — there's that whole area that we'd have to look at.

On the question of succession duty itself, we have very generous exemptions. But we are not a party of the rich; we've made that very clear. I appreciate the statement made by the Liberal leader (Mr. D.A. Anderson). People start talking about distinctions between parties ... once in a while they come up clearly in this House, despite the argument of free enterprise of democratic socialism. In this instance, here's a clear-cut demonstration that the Liberal Party is saying that the very wealthy people must pay a fair share while Social Credit is saying that the rich must be protected.

There are many ordinary citizens of this province who work very hard for the Social Credit Party who are not aware of the fact that that party has as a deliberate policy the protection of privilege. The Social Credit Party, unlike

the Liberal Party, has said that the very wealthy people in this province, regardless of where they come from, will be protected by that party by succession duties. It is a device, I think, to indicate to people of this province who are looking for a range of choices to decide who it is that actually represents perhaps the middleman or the little guy and who it is that's a party for the privileged few.

**AN HON. MEMBER:** Hear, hear!

**HON. MR. BARRETT:** The record indicates that

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the party for the privileged few is Social Credit. The Social Credit Party, while espousing an argument that they fight for the average little guy, is the only party on record that I know of that wants a complete abolishment of succession duties on the multi-millionaires, the super-rich and the super-wealthy.

**MR. PHILLIPS:** Who take their wealth to Alberta.

**HON. MR. BARRETT:** Let us talk about taking their wealth to Alberta. Anybody who wants to go to Siberia with their money is welcome to go, but if anybody wants to live here in this province they have a responsibility to pay their fair share here in this province.

Those people who run around and say the free-enterprise argument against us... The Liberal Party has had the courage to take the same position. I want to read you some statements by someone else who was in public life in this province.

"The government is aware that thrifty, industrious and prudent citizens in our society need encouragement and are entitled to encouragement to continue their contribution to the economy of the province. The British Columbia succession duties therefore apply to very large estates as a basic exemption outlined above and eliminate most beneficiaries."

This was a public citizen speaking in British Columbia saying that the average guy was okay and the middle guy and the upper middle was okay. But the super-rich, this citizen was saying, should be taxed by the Government of British Columbia.

This citizen went on to say further:

"I don't wonder at all that some of these representatives of the fat cats are preaching their doctrine."

Some of these representatives of the fat cats that are preaching this doctrine!

"I'm going to tell you this" — this citizen went on to say. "They talk about double taxation, about the federal income tax — that we wanted larger exemptions. As long as I am..." — blank — "...I will never agree to tax the people with low income and let the people with wealthy estates off scot-free, my friend."

Oh, who was it that used to say, "my friend"? (Laughter.)

**AN HON. MEMBER:** Mini-WAC! Mini-WAC!

**HON. MR. BARRETT:** That's what he said: "The fat cats."

**AN HON. MEMBER:** Maxi-WAC!

**HON. MR. BARRETT:** He continued:

"That might be the new policy of the Tory party of this province, but I want to say that's the reason I left the Tory party."

Three guesses — the first two don't count! (Laughter.)

**HON. R.A. WILLIAMS (Minister of Lands, Forests and Water Resources):** Hugh Curtis? (Laughter.)

**HON. MR. BARRETT:** No. You're rarely wrong.

"I want to say that's the reason I left the Tory party and that's the reason the people will not vote for the Tories. That's the reason...."

And then the hands went up like this. (Laughter.)

"We found out today the reason why the Member for Oak Bay (Mr. Wallace) left our grass-roots movement — because he doesn't believe in the principles of Social Credit, which is for the ordinary people, my friend. That's the difference."

**AN HON. MEMBER:** Who said that? Who said that?

**HON. R.A. WILLIAMS:** Those were the days.

**HON. MR. BARRETT:**

"The principle of this bill, my friend, is to reduce taxation. (Laughter.) I don't want to withdraw reducing taxation and I certainly will not. I want to say that if this bill isn't passed today it means taxes would be higher than they would be if this bill passes."

In other words, you're close. (Laughter.)

"I want to say this. As far as these people, when they share the money in this country, who made this money in this province, if they want to go to Barbados or Nassau or somewhere else" — like Alberta — "for tax havens, then let them go. And I agree, for the first time this session, with the First Member for Vancouver East — good riddance, my friends, because we want only people in this province who are willing to take their fair share of responsibilities to pay their fair share of taxes to build this country."

Quote: W.A.C. Bennett.

**SOME HON. MEMBERS:** Oh, oh!

**HON. MR. BARRETT:** Then known as maxi-WAC. And what did he say? He said: "Social Credit believed in the little guy." Those were the days, my friend. Who was it who called them "fat cats" who could go to Barbados and Nassau? It was the same Social Credit Party that the independent is now looking at, (laughter), the party that's now moved and shifted its policy to protect the fat cats. I

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didn't say fat cats. Who said fat cats? My predecessor, Big Daddy.

**MR. FX Richter (Boundary-Similkameen):** What are you mimicking him for?

**HON. MR. BARRETT:** I'm not... Well, oh, oh, oh! What am I mimicking? I am reading one of his speeches. This one is even coherent.

Interjection.

**HON. MR. BARRETT:** Well, I just want to tell everybody in British Columbia what young Bill is saying. March 10, 1975, Social Credit leader, Bill Bennett, says that if his party forms the next government, succession duties and gift taxes will be abolished.

**SOME HON. MEMBERS:** Oh, oh!

**MR. D.A. ANDERSON:** But Daddy's older now, and Bill will inherit — that's the difference. (Laughter.)

**HON. MR. BARRETT:** The Vancouver *Province*, that great newspaper, on March 10, 1975, he said:

" 'It is obvious Alberta has attracted large amounts of B.C. investment capital because the province does not have succession duties and gift tax. If B.C. had not instituted the taxes, the rate of unemployment in this province would not be as high as it is', added Bennett."

He's blaming his own father for high unemployment. But he's wrong. No son is responsible for the sins of the father. On the other hand, the father shouldn't be responsible for the sins of the son. In this case the son is wrong and the Social Credit Party is wrong. As long as we are living and breathing, and I respect the position of the Liberal Party, we say that the rich must pay their fair share in British Columbia.

There are literally hundreds of people who adhere to the belief that Social Credit is somehow going to look after the little man. The only party on record that says to protect the fat cats, as defined by the former leader, is Social Credit.

Now I have to go and tell the people that. I have to go and tell all those people out there that if you vote Social Credit, the rich are going to get off without paying a fair share of taxes. So change your policy; be more like your former leader. Don't sell out to the fat cats. Let them pay their fair share.

Now I want to say one last thing which one of the independents was talking about — that Pharmacare might cost too much money. The Pharmacare programme costs approximately \$18 million. It is financed by the income received from the succession duties. Let the rich pay for the medical prescription bills of those people who have reached an age where they suffer heavy medical expenses. In 1975 we took in \$25 million in succession duties. In 1976, \$26 million...

**MR. PHILLIPS:** And you wasted \$36.4 million on ICBC, and \$25 million on the ferries.

**HON. MR. BARRETT:** If your policy is to double the premiums on ICBC, say so, Mr. Member.

In 1976 it is an estimated \$25 million in succession duties. Now when people go around saying: "Where are we going to get the money from to pay for the drug bills of ordinary citizens?", we say: "Let those who made their wealth from this wonderful province pay their fair share so that we can be brothers and sisters, we can be more loving and more charitable in our society." You can't take your money to the grave with you, Mr. Speaker. It's not like the old Egyptian pharaohs who buried their gold and their slaves with them.

Mr. Speaker, we believe in respect to the dead, but also in obligations to the living. It's because of our obligations to the living that we support this bill. I now move second reading.

**MR. PHILLIPS:** Empty office space, loss on the ferries, loss on ICBC, loss on the railway, loss on the transit services — waste, waste, waste!

**MR. SPEAKER:** Order, please. The question is that Bill 24....

Interjections.

**MR. SPEAKER:** Order! It is the rule of the House that when we are putting a vote, the Members remain silent.

Motion approved unanimously on the following division:

YEAS — 39

|         |          |        |
|---------|----------|--------|
| Nimsick | Hartley  | Calder |
| Barrett | Strachan | Gorst  |
| Brown   | Sanford  | D'Arcy |

|                |            |                |
|----------------|------------|----------------|
| Cummings       | Dent       | Lockstead      |
| Skelly         | Lauk       | Young          |
| Lea            | Cocke      | Williams, R.A. |
| Lorimer        | Levi       | Steves         |
| Barnes         | Rolston    | Wallace        |
| Anderson, D.A. | Gibson     | Fraser         |
| Chabot         | Phillips   | Smith          |
| Richter        | McClelland | Curtis         |
| Morrison       | Schroeder  | McGeer         |
| Liden          | Lewis      | Kelly          |

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Bill 24, Succession Duty Amendment Act, 1975, read a second time and referred to Committee of the Whole House for consideration at the next sitting of the House after today.

**HON. MR. STRACHAN:** Second reading of Bill 29, Mr. Speaker.

### CORPORATION CAPITAL TAX AMENDMENT ACT, 1975

**HON. MR. BARRETT:** Mr. Speaker, the corporation capital tax was introduced in 1973. At that time I stated that the tax was imposed to raise the contribution of companies to the costs of providing government services to the people of British Columbia. A change is now proposed in this bill as a result of our recent study of corporation contribution. This bill proposes to increase the rate from 0.1 per cent to 0.2 per cent and to exempt companies with taxable capital of under \$100,000 instead of those under \$25,000. This new rate, 0.2 per cent, will then be the same as Ontario and Quebec and will result in a company with \$1 million taxable capital paying a tax of \$2,000 a year instead of \$1,000 as previously.

The increase in exemption is part of our policy in assisting small businesses so that they will be able to start, grow and compete in British Columbia.

I move second reading.

**MR. MORRISON:** Mr. Speaker, we support the position that the capital exemptions should definitely be increased, because \$25,000 was far too low. We think that the definition of "paid-up capital" should be redefined because under the definition of "paid-up capital," earned income and other surpluses are included and reserves, loans and other securities are also.

We believe that small businesses won't be hurt that much, given that they started some time ago and their real estate is based on the date of purchase and use and deprecative value. But anyone entering a business today, with inflated values, is going to find that his start up costs are considerably higher, and he will more rapidly get into that limitation of \$100,000. Because of levered assets — money which is borrowed from banks or other sources — the definition suddenly puts a small business above that limit very rapidly because of that leverage. We think it is a bit of a nuisance tax, all right, but I think that the small operator would like to have some more consideration as to the exemptions and to that definition of how that exemption is arrived at.

**MR. G.F. GIBSON (North Vancouver-Capilano):** Mr. Speaker, something I would particularly like to ask the Minister of Finance to comment on in closing the debate is the fascinating reference he made to a study of the proper corporate contribution to the tax structure of British Columbia. The quote here is: "... a recent study of corporate contributions." I think those were the exact words the Minister of Finance used in putting this bill.

It is a fascinating, complex field, just to what extent corporations do contribute and should contribute. Of course, in British Columbia where our larger corporations and particularly our export corporations are founded on natural resources, most of our tax revenue from them comes at the cost-of-natural-resource level and we thereby capture the profits which otherwise might be exported or accrue into the hands of those corporations. Other corporations which do business within British Columbia, of course, simply pass their taxes on. That will be the main impact of this corporation capital tax, one of the dangerous features of which is, incidentally, Mr. Speaker, that it is so apparently low that it can be doubled — here is a tax being doubled — with relative impunity. I appreciate that what we are doing here is coming up to the Quebec and Ontario levels. I would not be surprised in future years to see this tax doubled and redoubled again under the current government.

But what I would particularly like the Premier to speak about, in closing debate on second reading, is his concept of the proper tax contribution of corporations and some details of the study that he referred to in opening the debate. Do you have a copy of that study?

**MR. SPEAKER:** The Hon. Minister closes the debate.

**HON. MR. BARRETT:** The study is internal, Mr. Speaker, and relates essentially to the impact on small businesses of the corporation capital tax. It received some inquiries with points raised similar to the ones discussed by the Member for Victoria. The study was confined essentially to an examination of revenue from the smaller businesses and what relief we should perhaps consider under this. Then we came up with the present formula. We are considering even further ways of assisting small businesses.

This administration is the first one in Canada's history to have a two-rate structure of corporation income tax. We are giving a lower rate of corporation income tax to small businesses, the first province in Canada to do that, So what I am saying is that our concern is for the indigenous small business that has major social impact in the community as well as economic impact.

In many instances, large multinational corporations tend by their nature, not by their intent, to be absentee participants in a country. The social consequences sometimes can be severely difficult on a

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community. I think a classical example of the modern company-town impact would be in the town of Houston where the Bowater corporation came in and, under the centralized programmes of the former administration, developed a major forest facility in that community.

The use of deep roots in a community through the indigenous development of the business was entirely overlooked. They skipped the natural range of progression of community involvement. As a result, that which within that structure looked good on paper here in Victoria and in New York.... In actual fact, the community itself, because there was no indigenous auxiliary businesses establishing with it, became very fragile and the whole operation eventually collapsed.

Just one aside, Mr. Speaker, related to that — and I do think it is part of what we are trying to do in the sense of philosophy: the corporation came in in a community that is very, very relaxed, very informal, as the northern part of British Columbia is. They came in, set up their sawmill, put a fence around the sawmill, then hired guards to patrol the fence and to check the employees coming in and coming out.

Now the northern part of the province is, as I say, very informal and the relationships between people in those communities are quite intense, fairly close. Except for the transient labour force, which has no roots at all, the established families know each other. The communities know each other. The presence of guards and a fence immediately put in a whole concept psychologically of adversary roles between the employees, who are the indigenous people, and the company, which is the foreign interloper — and production decreased.

Now related to this bill we have recognized that that was a problem; so our government deliberately set out to assist small businesses.



**MR. D.A. ANDERSON:** Are you taxing fences?

**HON. MR. BARRETT:** No, we are not taxing fences. I'm saying how the fences tax the ability of the employers to have a good relationship with their employees. You may laugh, but as a matter of fact it was a serious problem in a community that had never known this kind of supervision before.

**MR. D.A. ANDERSON:** It was a pun.

**HON. MR. BARRETT:** Oh, a pun. Okay, purely a pun.

As a matter of fact, the Member for North Vancouver-Capilano's (Mr. Gibson's) father's success had as part of its ingredients the relationship he had intimately with his senior staff and generally with the employees. He was one of the few employers in the province who could go through the staff and call the employees by their first name and have that kind of relationship, without the clock-punching-syndrome kind of relationship. So when labour problems arose, or social problems in the community arose, there was a oneness in terms of goal — maybe not of getting there, but in terms of the goal. Small businesses, we recognize, play that role.

Unlike the former government we've set up the corporation to loan the money. A democratic socialist government, for first time in the history of British Columbia ... it is the socialists who are lending money to small businesses. How ironic! You rarely read about that in the newspapers. It's the socialists who are giving the small businesses the corporation tax reduction. How ironic! It never happened before. It's the socialists who are giving the small businesses the best taxation break. How ironic that it never happened before.

We are not interested in big business. We are interested in small entrepreneurs. That's the reason for this. I know that story will never be told by the official opposition, and I doubt very much if it will get beyond the precincts of this particular Legislature, but it is a fact, and that's the direction we are moving in.

Well, I don't want to carry on to great debate, but how many sawmills closed through Omineca and through Skeena because of the centralist policies of the former Minister of Lands and Forests (Mr. Williston)? Burned-out sites of small sawmills in Shuswap, where 20 and 30 and 40 men, including native Indian people who were involved in indigenous jobs, all were wiped out by the centralist policies of the former administration. But that is a matter of fact, and of course fact is rarely discussed in political rhetoric.

Mr. Speaker, I accept the....

Interjections.

**HON. MR. BARRETT:** Well, it's a shocking admission, but I have been seeing what the independents have been saying lately. I thought that the independents were going to be different, but they are more of the same, only worse. You are well rid of them, Mr. Leader. You are well rid of them.

**AN HON. MEMBER:** The feeling is mutual.

**HON. MR. BARRETT:** The feeling is mutual. (Laughter.)

I listened very closely to the Second Member for Victoria (Mr. D.A. Anderson). I accept his suggestions and, Mr. Speaker, I now move second reading.

Motion approved.

Bill 29, Corporation Capital Tax Amendment Act,

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1975, read a second time and referred to Committee of the Whole House for consideration at the next sitting after today.

**HON. MR. STRACHAN:** Second reading of Bill 30, Mr. Speaker.

**GASOLINE TAX (1958)  
AMENDMENT ACT, 1975**

**HON. MR. BARRETT:** This is essentially administrative. Since 1928 the province has had two gasoline taxation statutes, one of which is operative, the Gasoline Tax Act, 1948, and the other, the Gasoline Tax Act, 1958, which is subject to proclamation in the event the operative Act is ever successfully contested in the courts.

The present operative Act is more economical and efficient to administer, but it is deemed advisable to keep this reserve Act up to date. Accordingly, amendments are hereby submitted which will bring this Act into conformity with the operative Gasoline Tax and Coloured Gasoline Tax Act.

**MR. MORRISON:** We notice that you finally have got around to defining exactly what a gallon of gasoline is. But we notice that the definition now of motive fuel is very broad. It appears that it would apply to anything that is a derivative of coal or naturalized gas or petroleum. It would appear from that wide definition now that even if we got into steam cars and so on, this Act could apply to them. I can see why the Premier wants to bring this Act up to date; we concur with the act of bringing it up to date.

We object to the increase in the taxation of gasoline very strenuously. We think the extra 2 cents applied on the tax is excessive and that the taxation should have been reduced rather than subsidizing ICBC. We oppose that principle completely.

**MR. GIBSON:** I'll put my 2 cents in on the operative Act, Mr. Speaker.

**SOME HON. MEMBERS:** Oh, oh!

**MR. GIBSON:** Since this is the inoperative Act — since it's been here on a standby basis just in case the 1948 Act gets knocked out — I just ask the Premier in closing the debate if he would tell the House, in view of the fact that Bill 31 is in court, if he is going to bring in an inoperative Act there, too, just in case.

**HON. MR. BARRETT:** That question is out of order.

**AN HON. MEMBER:** So are you.

**MR. D.A. ANDERSON:** Mr. Speaker, we have this curious provision that the government is so doubtful about its own legislation that it brings in other Acts which it tells us that it probably won't proclaim unless the courts....

**HON. MR. STRACHAN:** They've been doing it for 20 years.

**MR. D.A. ANDERSON:** Yes, they may have been doing it for 20 years.

**HON. MR. STRACHAN:** It must be about 25 years.

**MR. D.A. ANDERSON:** Oh, it's more than that. It's 1958; the other one is 1948. So it's a long time.

But it is a really curious departure, and I think the Premier should say something about the workings of the committee that makes up its mind as to whether to bring in these backup bills or whether to draw up bills which, indeed, are legal. Wouldn't it be better to make sure the Act is itself legal or else amend it so that it is legal rather than bring in backup legislation?

I have the suspicion that maybe we're going to hear the same type of argument when Bill 61 comes up: "Maybe we won't bring it into form — only in case it's necessary." It'll be rather like that famous phrase of a former Prime Minister: "Conscription if necessary but not necessarily conscription." That's what we have with this particular

bill: Bill 30 if necessary but not necessarily Bill 30.

I just think the whole business is curious. I wonder whether the Premier could indicate whether this is to be the exception or whether or not they have fallen upon a great new scheme for making sure that legislation which may well be invalid or illegal can be held up in the courts, and then a second bill, which again would take a substantial amount of time in the courts, could then be introduced to further tie up the process. Surely we should be having legal counsel to the government and legal counsel for this chamber drawing up bills which, indeed, are legal. If they have any doubts about it, take it to court right away and check it out. Don't have 1948 bills that may not be legal and then have 1958 bills — we're not sure whether they're legal either — to back them up. Let's have, as the Member for North Vancouver (Mr. Gibson) correctly puts it, legal laws.

We had the experience yesterday where I had to question the Minister of Housing (Hon. Mr. Nicolson), who simply abandoned the piece of legislation that is on the books and refuses to pay money to people who are entitled under laws passed in this Legislature simply because he has the suspicion that some time in the future the laws on the books will be changed.

I think the principle which we should be discussing at this time should be that of having legislation which

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actually will stand up in court or, indeed, if there's any doubt, have the thing checked out at once and then amend the Act which is invalid so that it therefore becomes proper law. We live in a bit of a topsy-turvy world where Ministers can ignore laws as they see fit, as the Minister of Housing is doing with the renter's grant. Then the government introduces backup legislation sort of like — I'm sure the Member for North Vancouver won't object to this term — a suspenders-and-belt syndrome...

**MR. GIBSON:** Order!

**MR. D.A. ANDERSON:** ...whereby you bring in legislation which really is going to be totally redundant if you made a good job of Bill 31 here, the Gasoline Tax (1948) Amendment Act.

Perhaps the Premier in closing could confess to the House something of the workings that went on in drawing up this particular bill. In principle this is a bad approach; we think that he should give some reasonable explanation for it if there is one.

Further, as a final point — I know I'm anticipating a little — we would like the No. 31 sweater retired. It's confusing to have to talk about Bill 31 when dealing with the Gasoline Tax (1948) Act. We think certain historical numbers, just like in the hockey teams, should be retired when that particular player has sort of adopted that number as his own. We trust that Bill 31 will not appear again in subsequent years because we think that has a certain historic significance.

**HON. MR. BARRETT:** I think this and the next one are essentially administrative — perhaps the comments are related more to Bill 33.

In any event, I have listened very closely to the Liberal leader and suffered what happens on occasion when listening too closely — I'm confused. Nonetheless, I think I'm....

**MR. D.A. ANDERSON:** I'm confused by the legislation.

**HON. MR. BARRETT:** Well, I'm confused by your speeches, but I try to make some sense out of them. I think I got the gist of your argument. I'll discuss it with the Attorney-General (Hon. Mr. Macdonald.) I now move second reading.

Bill 30, Gasoline Tax (1958) Amendment Act, 1975, read a second time and referred to Committee of the Whole House for consideration at the next sitting after today.

**HON. MR. STRACHAN:** Second reading of Bill 31, Mr. Speaker.

## GASOLINE TAX (1948) AMENDMENT ACT, 1975

**HON. MR. BARRETT:** Mr. Speaker, the so-called oil crisis affecting most of the world has not really caused much of a disturbance to the lives of most British Columbians, or Canadians, for that matter. However, we should not ignore this oil crisis but, like others, take steps to conserve this valuable resource. One of the best methods to conserve the supply is to encourage low-cost public transit. To this end this bill proposes to raise the tax on gasoline from 15 to 17 cents, effective February 28. This will supply additional revenues which then can be used to assist desirable low-cost public transit systems.

In spite of the high construction costs of our highways, due to our rocky and mountainous terrain, at the new rate British Columbia's gasoline tax will still remain substantially lower than most gasoline taxes in Canada. Sections to allow the usual gas collection procedures are also proposed, Mr. Speaker. I now move second reading.

**MR. D.E. SMITH (North Peace River):** Mr. Speaker, it was interesting to listen to the remarks of the Minister of Finance who has just taken his place. I'd say that was a very, very weak defence for a bill that he knows will not do anything but increase the inflationary pressures that every other government in Canada is trying to defuse throughout this country.

He suggested that the 2 cents increase was required to help people practise some restraint in the use of automotive fuels, and perhaps encourage them to use public transportation to a greater degree. What nonsense!

The reason the price of gasoline is being increased at this time by 2 additional cents per gallon is a direct result of the mismanagement of ICBC, and make no mistake about that. This is the corporation, the crown jewel, that was going to be financed without one cent of taxpayers' money going directly from the tax coffers into the operation of ICBC. And what happened?

We witnessed the government do a complete about-face and direct 10 cents tax out of every gallon of gasoline to support an inept corporation — a corporation which has been badly managed, a corporation which, to date, has lost millions of dollars on behalf of the taxpayers of this province. And how was it covered off? It was covered off by channelling the dollars and the funds out of general revenue to that source, which the government stood in this House and repeated many times would never happen. That's one of the problems involved.

It has now created an avenue for the government to subsidize other Crown corporations which may be in financial difficulty by channelling off tax dollars by one means or another to make those corporations appear profitable or at least operate close to a

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break even point.

[Mr. Dent in the chair.]

The question we have to ask is: how much more revenue from the sale of gas, or from whatever other source the government may deem necessary, will be required to finance bungling ineptness on the part of some of the Crown agencies of this province? The 2 cents is a direct reflection of the money the government must now take from the gasoline tax to operate ICBC. It would have never been required, Mr. Speaker, had ICBC been able to live up to the government's pre-election promises that a Crown agency on a monopoly basis would be able to be financed properly and carry all the insurance requirements for the motoring public in the Province of British Columbia without subsidy.

I suggest to the Premier that instead of fighting the fires of inflation, he is contributing to them at a time when we should all be practising restraint. I further suggest that this is a case in point and certainly one that we must look at with respect to the management of the operations of government in this province.

Had the departments of government, including Human Resources and the Crown corporations, operated with some constraint within the confines of their budgets, it would not have been necessary for the government of this day to increase the taxes on every citizen in this province. You must say that it's almost every citizen in this province, because most people today have some form of transportation.

I think that instead of increasing the tax on gasoline, the government would have been well-advised to have looked into the management and the mismanagement of the funds they had available to them. At a time when tax revenue is certainly high in comparison to other years, what have we seen? We've seen millions upon millions of dollars thrown away — non-productive, non-returnable to the people of the province in terms of benefits or services. And the Minister of Finance's answer to the problem is to increase the tax on gasoline by 2 cents a gallon.

Mr. Speaker, until this government can show the official opposition a record of competence, a record that is far better than what we have seen laid before us in the operation of government departments and of Crown corporations, there is no way that we'll support a bill which increases the price of gasoline or the tax on gasoline by 2 cents a gallon which contributes to the inflationary pressure in this province, only to have that money thrown away in useless ventures by Crown corporations and by this government.

**MR. D.A. ANDERSON:** I was really very surprised to hear the Premier introduce this increase in the gasoline tax from 15 to 17 cents and then the 3 to 5 cents and then the 10 to 12 cents, depending on the various taxes — an increase of 2 cents across the board — without making any reference to the enormous losses of ICBC. I don't want to repeat what has been said a moment ago, but ICBC has lost a substantial amount of money and it is, of course, coming out of the gasoline tax. I can remember about a year ago suggesting to the Premier that he put a sign on every one of the gas pumps saying: "Part of your gasoline payment will go to pay for your insurance." And he, at that time, thought it was a first-class idea. He said that he was thinking of having it introduced, to make it clear every time you buy your three bucks worth of gas, 20 or 25 or 40 cents was going to pay for insurance. Yet we come to an Act to change the tax rate and he doesn't even mention the fact that we need more revenues because of the substantial losses in the insurance area which previously, under private enterprise, paid its own way and now is in the most horrible deficit position that we ever could have imagined.

So I was very surprised, and I trust when he is closing the debate he will give us a little bit of information about how much of this money from the gasoline tax will be going to insurance, because certainly this increase won't cover the unexpected losses on insurance. I say unexpected because time after time we informed the Minister of Transport and Communications (Hon. Mr. Strachan) that losses were inevitable, and time after time he denied it vigorously. Indeed, he denied it in very unfair and derogatory terms in referring to us, and yet later on he had to eat his words and admit that it was true. So when the Premier closes the debate I trust he will point out how much of the tax revenue is going to subsidize that great monster, the Insurance Corp. of British Columbia.

That aside, I would like to say a few words about what the Premier mentioned in introducing the bill. He talked about the need to have the extra money for low-cost public transit. I would certainly endorse that concept. The average driver of a private automobile should subsidize public transit so that he in turn has more space on the road and has a better opportunity, if he wishes to use his private car, of getting to wherever he is going. The Minister of Highways (Hon. Mr. Lea) agrees and the Minister of Public Works (Hon. Mr. Hartley) applauds and I am very pleased to see that, because there is no question that the persons who use public transit are doing a favour to the rest of the travellers who use their private automobiles. There is no reason why the driver of a private automobile should not pay to subsidize public transit. Certainly in this interim period as we are changing social attitudes towards public transit, I think that the use of this money in that way is desirable and I applaud efforts made to improve public transit and to make sure that the private automobile drivers

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such as myself and others in this room pay their way.

While I agree with the Premier on that, I am amazed that this is such a timid bill. If we are trying to encourage public transit and if we have these enormous deficits in terms of the bus services in greater Vancouver, greater Victoria and elsewhere in the province where these deficits with B.C. Hydro are running up, I don't think 2

cents a gallon is going to do the trick.

I would like to know whether the 2 cents a gallon will be applied directly or whether this is simply going into general revenue and the subsidies coming out of general revenue in some other area. It is a timid approach and I am surprised that the Premier puts it forward. I am surprised also that he puts it forward and then essentially backs off his own argument by talking about how low taxes are in the gasoline area in British Columbia in comparison with other jurisdictions.

On the principle of this bill I had expected from the Premier, in light of his bold statements elsewhere, some analysis of the effects of the taxation on gasoline on the use of the private automobile. I expected some analysis on the effects of taxation on gasoline on the consumption of a non-renewable resource. I expected some analysis in terms of price levels and tax levels with respect to the need or otherwise of a new refinery programme.

Are we embarking on a course of action which is designed to curb consumption, which I have to say I trust we are? I know I differ again this morning with the Social Credit Party in this area, but surely we should be embarking upon a conservationist programme. Taxes should be used to encourage conservation. It is contradictory to on the one hand say we want to raise taxes to encourage public transit and then on the other say: "Gee, aren't we lucky? It is so much lower than anywhere else in the country." So it is not going to achieve the object which the Premier first named — namely, discouraging the use of the private automobile and encouraging the use of public transit.

I know the Minister of Highways (Hon. Mr. Lea) will probably get up and contribute to this because he is looking most serious, if he ever looks serious behind that beard. It is hard to really see what his feelings are, but I know he would like to get up. He is just itching to get up and talk about how much money we could save in terms of highway construction through this very, very difficult terrain in British Columbia, which he has talked about so often, if indeed we could curb the use of the private automobile and encourage proper public transit.

We had statements in the House a short time ago about the E&N Railway. I looked into the E&N Railway business very closely back when they applied to the Canadian Transport Commission for discontinuation of passenger services. I discovered that on the average only 17 people a day used that train in either direction. What we had was a situation where everyone was yelling about what a great thing it was to have public transit, what a great thing it was to have a train service, what a great thing it was to have a totally different roadbed maintained at enormous expense to get people to Courtenay — and yet 17 people a day went north on the average and 17 people a day came south. Really and truly we were talking about a trivial number of people in terms of the number of people in 20 minutes who would use that highway. Indeed, on the average, I imagine, if you stood by the highway and waited for two minutes, you would have more than 17 people pass you by going in either direction.

So you are talking about alternate transit systems, you are talking about public transit systems, and yet, really and truly, we are doing absolutely nothing to really grasp the parameters of the overall problem. I am delighted that the Minister of Highways is going to leap to his feet and support what I am saying.

Back to the question of taxation. I know it is not frequently that Members of the opposition encourage the government to increase taxation, but surely in an area such as this, the government should be analyzing the advantages of increasing taxation on gasoline and such things — non-renewable resources in other words — encouraging smaller vehicles and encouraging vehicles that get between 40 and 50 miles to the gallon on the highway which are feasible. Such vehicles are being constructed today. At the same time, the government should be discouraging vehicles which get between 8 to 12 miles to the gallon on the highway, which unfortunately, as the First Member for Victoria (Mr. Morrison) knows from his experience in the car business, are being purchased all too frequently by British Columbians.

There is an opportunity here for making some real effort to use taxation policy to achieve social goals. The government appears to have dropped the ball. They have only talked about this minor subsidy to rapid transit without giving us any indication of what the effect will be.

Let me put a proposition to the Minister of Finance and the Minister of Highways, who is happily taking

notes, I hope, with which to take part in this debate. That is, what would happen if we did manage to lower by taxation policies the average weight of the average family vehicle in British Columbia by 1,000 pounds? What happens if we can get British Columbians to drive cars on the average of 2,500 pounds instead of 3,500 pounds or more? I believe it is above that now. The Minister of Highways will of course give me the exact figures, which he keeps in his head at all times.

What would happen if we did that? What would happen in terms of conserving non-renewable resources? What would happen in terms of saving the

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province future capital expenditures on refineries? What would happen in terms of making ourselves more self-sufficient in oil and what would happen in terms of extending the known reserves of petroleum products in the Province of British Columbia?

These are all major questions, and I know that in discussing them under the Gasoline Tax (1948) Amendment Act, perhaps it is stretching the intent of this Act. But you cannot simply put financial bills forward which have social ramifications and fail to even mention social ramifications.

I'm astonished by the Premier. He really is a man who enjoys exploring some of the greater issues of politics and policy. In this instance, when he had the opportunity of telling us what would happen, how it would affect policy, how it would affect the future of British Columbia, what it would do to the lifestyle in the year 2000, he failed completely. He just gave us a 2 cent speech on a 2 cent tax. That's the wrong approach.

Taxation can be used not just for the raising of revenue but for social policy. I think perhaps the Minister of Finance, and certainly the Minister of Highways (Hon. Mr. Lea) when he speaks in this debate, will talk about the difference between an increase, a substantial increase in the gasoline tax and, on the other hand, a reduction in the sales tax. Let's drop the sales tax from 5 to 3 per cent, or from 5 to 4 per cent, and let's make it up on the other hand by an increase in the gasoline tax. Let's use the gasoline tax as a source of revenue for general purposes.

We in this province have been infected by the American disease known — well, I won't say it is known necessarily by name.... It is that insidious advertising campaign put out by essentially the trucking industry, the gasoline interests, and in particular the road-construction companies, suggesting that everything raised from the road should be spent on the road. And there was legislation in the States, in many states, which required by law that every penny that ever came from the gasoline tax be spent in turn on highways. The Minister of Highways knows how wrong the policy would be, but for many decades that was the policy, the law, of many American jurisdictions. It was supported constantly by an advertising campaign, and it was supported constantly by contributions to political parties and candidates. He knows that that took place in the States.

**HON. G.R. LEA (Minister of Highways):** They're in trouble now.

**MR. D.A. ANDERSON:** You bet they're in trouble! But what have they switched to? Remember the new ads? The operative word is "trust" — the highways "trust" — how it is a breach of trust to use this money for anything but building more highways and covering more farmland with cement and concrete and blacktop. Now they are talking about it in the moral sense — "trust." You know, somehow if a politician suggested that the gasoline tax money should be used for Mincome or Pharmacare or anything of that nature, for a social policy, somehow he is violating the trust. This advertising campaign went on for two years, and I've never seen anything quite as sickening in advertising campaigns until I started to hear the advertising campaigns that came into this province — but that's another subject, It was a deplorable policy with, I think, inaccurate, misleading advertising and it resulted in a really sick public attitude towards the question of taxing gasoline, taxing automobiles and taxing components. It went right back to the Eisenhower days of the highway trust, and it is time the thing was buried once and for all. It has done enough harm in the United States, and the spillover effect has done enough harm in Canada.

So when the Premier closes this debate, and when the Minister of Highways gets to his feet and endorses all that I have said, I trust they are going to point out what the effect would be of a doubling of the gasoline tax in terms

of use of automobiles, in terms of encouragement of public transportation. I trust he will talk about what would happen in the regional sense. I trust he will suggest, or I trust he will at least explore, if not suggest, the concept of differential taxation for different parts of the province.

Clearly this bill is absurd for the Member for Peace River who is about to speak. He comes from an area where the increasing money that will be taken from the motorists in his area will do absolutely nothing to create a public transit system. What they are doing is robbing the Peace River or at least taxing the Peace River, to be accurate, to pay for a system in Vancouver, Victoria and other major centres. When he gets up to oppose this bill, as I expect him to do — I may be surprised, but I expect him to do so — I am sure he is going to point out this discrepancy in the legislation.

I am sure that he will echo my thoughts that we should be taxing areas which have congestion problems, which have the possibility of a rapid transit system. We should be taxing them more, and we should be taxing less the areas which have no possibility whatsoever of a public transit system and which, because of their very sparse population and spread-out nature, never indeed will get public transit in the foreseeable future.

Anyway, those are a number of the questions in terms of policy which I think should be explored, and I trust they will. This Act is a pussycat Act. It just has this trivial increase in gasoline taxation. It is putting a pussycat in the tank instead of a tiger — to quote Esso, now Exxon.

It does really nothing to deal with the question of

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public transportation; it does really nothing to discourage the use of the private automobile. It does really nothing to encourage the purchase of smaller more efficient vehicles. It does really nothing at all except raise a couple of pennies more per gallon, and in this respect I just don't think that this Act makes a great deal of sense.

I trust we are going to hear proper debate on this. I am just itching to hear the Minister of Highways (Hon. Mr. Lea) get up and give his contribution because outside this House, outside of the baneful influence of the Minister of Transport and Communications (Hon. Mr. Strachan), he has spoken out vigorously in terms of concepts on transportation. I know that he is inhibited here, but I realize he would perhaps be able to get up and say a few modest words about how correct the approach of the Liberal Party is in this particular instance.

**MR. WALLACE:** As I said in the budget speech, we have found this 2 cent increase in gasoline tax somewhat puzzling, contradictory, and even if we listened to the reasons the Premier gave for introducing it, we find that he hasn't really backed them up with any kind of real conviction. For these three main reasons we will oppose this bill.

In the first place, all that the budget speech and debate ever told us from the government's side was that we have a buoyant economy and that the figures speak for themselves with an anticipated increase in revenue of 48 per cent over the figures of 1974-75. So, first of all, we would have to ask the question: why any tax increase of any nature with the economy in a buoyant and optimistic condition, as reported by the Minister of Finance?

Secondly, was inflation the primary problem which the Minister of Finance himself pointed out in his budget speech? The increase of 2 cents on the cost of gasoline to the consumer has to be an inflationary influence.

I'll mention in a moment the whole question of transit on a wider basis, but whether the Minister of Finance likes to admit it or not the automobile is an absolutely essential part of living to many citizens of this province. We can all wax eloquent about the desirability of less pollution, conservation of fuel and all the other desirable goals, but the fact is that many people in this province require their automobile not as a luxury but as an absolutely essential part of their day-to-day living in their capacity to get to work and get back from work, and in their capacity, in many cases, to carry out their business. Commercial salesmen, detail men, and various persons are those whose basic occupation depends almost entirely upon the availability of their automobile.



To just glibly make the statement that a piddling tax increase of 2 cents will get people out of their cars and into the buses, to me represented a very flimsy and superficial reason for this particular increase. It's quite clear, particularly when one travels in other parts of this province other than the lower mainland and the metropolitan areas, that there are vast numbers of people who depend very much on their automobiles. If you put 2 cents on each gallon of gas for these people, all you are doing is making life more difficult for them economically in the face of inflationary costs over which this government has no control. So why put up the costs of the elements in our budget, the individual's budget, which we can control? It's just adding another burden to the economic problems of many citizens in the province. So, if for no other reason, we find that that is a very sound justification to oppose this bill.

The second main reason that we would oppose this bill is that even on the so-called merits presented by the Premier, we find the whole situation very contradictory. We find a 2 cent increase in gasoline tax is reported to be necessary or to be desirable by the Premier to get people out of their cars and into the buses. In the metropolitan areas, if this were feasible and practical, there is some strength in that argument — not a lot, but some.

But then we turn around, Mr. Speaker, and what do we see? We find this government subsidizing automobile insurance to the tune of \$34 million bucks a year. Now how can you possibly run in opposite directions at the same time? One minute we are being told that the gasoline tax has to go up to try and discourage people using their automobiles by economic pressure.

At the very same time we are giving them unrealistically low automobile premiums for insurance subsidized by some other form of government revenue. I just can't reconcile these two factors in any way at all that makes sense.

That leads into the more general discussion on the point raised by the Liberal leader (Mr. D.A. Anderson). To what extent should taxation policies be used as an instrument to determine public behaviour and the public's attempt to conserve depleting resources or the public's behavioural response to pollution control or mitigation of existing pollution that we have? I personally feel that it is all rather pointless.

I am of the opinion that the North American society, the people of North America, have become accustomed to a certain style of living. That style of living means two or three cars in every driveway, a boat, a dishwasher, a garburetor, wall-to-wall carpeting, and a whole slough of luxuries which intimately influence the problems that governments have to face. We have already been all around this race track once on the whole question of housing. It seems we can't convince anybody to build a basic, simple house for a husband and wife and a couple of children, 1,000 square feet with no frills, because

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there is practically no market for that for a variety of reasons.

By the same token, we are talking here about a very minimal increase in gasoline tax, and apparently the opposition is expected to swallow the argument that such a very minimal increase will encourage people to decrease their use of their automobile and get into the buses. I just think that in the face of the general affluence in North America, the style of living to which the individual has become accustomed, the competitive nature of our society — if you don't have a second car, if you don't have a cottage or if you don't have a boat, you are just not keeping up with the Joneses — that pervasive influence is far more to be reckoned with than trying to appeal to the social conscience of people by saying to them: "Tut-tut-tut, you shouldn't really go downtown to do your shopping and use your car; you should take the bus."

If we want one screaming example of how valid I think that argument is, just look at downtown shopping at Christmas time. It is just an absolute nightmare. The people who drive into the downtown area to do their Christmas shopping are not dull and they've got a memory. They know very well that last Christmas they went through the same miserable, time-consuming, frustrating experience and arrived back home ready to climb the walls or punch their husband on the nose or beat the kids or something. Yet Christmas, 1975, comes around and you could have all the buses that have ever been made; do you think you will have any effect in getting the Christmas shopper to get out of his car and get into a bus and go downtown to do the shopping?

All I am saying is that if the government really believes.... I respectfully differ with them. I don't feel that to any appreciable degree you can mould public behaviour or public response unless, instead of a miserable 2 cent increase, you make it a 20 cent increase. Then you are no longer whistling Dixie. You are really making it hurt to the consumer. All I am saying is that if the basic premise in the government's argument holds any water at all, it has got to be effective. A 2 cent increase ain't going to change anything. All it is going to do is penalize the consumer who really needs his vehicle for his work and act as an inflationary factor and add just one more burden economically to the personal budget of these individual consumers.

I certainly feel that in attempting, as I think every government does, to achieve a fair distribution of different types of taxation, it is almost inexplicable that although this government has legislation on the books to take 10 cents out of each gallon of gas in revenue to subsidize ICBC — and I don't buy that argument at all that there should be a subsidy, but we have touched on that in other debates and I won't be repetitious — the final indignity is that annual report of ICBC in which we discover that the government has not carried through on its commitment that that is where the subsidy would come from.

**HON. MR. BARRETT:** Not yet.

**MR. WALLACE:** Well, if we don't know by this time, Mr. Premier and Minister of Finance, how it's going to be subsidized, I think only one of two things: either you people over there don't know yourself what you're going to do, or you know what you're going to do and you won't tell the House. I think that's reprehensible.

**HON. MR. BARRETT:** We passed legislation; we had a debate on it.

**MR. WALLACE:** Sure, you passed legislation and we've had debates until we're all blue in the face. But the point is that the annual report of ICBC stated, as close as I can paraphrase it, that at this time it was not decided "desirable" or "convenient" — I can't remember the exact word — to utilize the subsidy from gasoline to make up for the \$34 million deficit. The Minister of Transport and Communications (Hon. Mr. Strachan) very conveniently is looking up the annual report as I am talking — maybe he can give us the precise wording. I remember reading it and thinking to myself how very careful and cautious and noncommittal and totally political that paragraph was. In other words, it left the option open that maybe they will take the money out of the gasoline tax. But on the other hand, the way it's written, there is certainly no promise or commitment by the Minister that that's where the money will come from.

I say, Mr. Speaker, that in debating such matters as gasoline tax and Autoplan insurance subsidy, in my mind it would be most unfair if that \$34 million came out of general revenue because that general revenue is contributed by many citizens in this province who don't drive a car, who don't own a car and who probably never get into a car from one year's end to the next. Yet, lo and behold, some of their tax money is going to be used to subsidize automobile premiums for the car driver.

Interjection.

**MR. WALLACE:** The Minister of Finance is looking very unhappy, shrugging his shoulders, screwing up his face and looking very unhappy.

**HON. MR. BARRETT:** Oh! I have not screwed up my face or shrugged my shoulders!

**MR. WALLACE:** He's smiling now — that's better. When you shrug your shoulders, Mr. Premier, you might be mistaken for another leader in this country; you would never want that to happen.

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**HON. MR. BARRETT:** No, no, no. I didn't shrug; I'm too young to shrug.

**MR. WALLACE:** While we appreciate a little bit of humour here and there in this House — we haven't had enough of it this session — I do feel that this is a very important subject far and above whether it's 2 cents, 3 cents or

whatever number of cents we're talking about. The principle involves not only the raising of government revenue by a certain method but the whole question of how tax revenue, once raised, should be used by government to achieve certain desirable community and social goals.

I just feel that the evasive paragraph in that annual report of ICBC leaves the door open so that the government may not utilize its own legislation to take money out of the gasoline tax revenue to subsidize ICBC.

The Premier interjected the words "not yet," which suggests to me that that's where the subsidy will come from. If that government decision has been made, I think the least that the Premier might do in winding up this debate would be to assure the people of this province that at least the deficit will be met out of sources which relate to the use of the automobile. We object to subsidizing automobile insurance in the first place. That is an absolute objection and there's no way we're ever likely to change our position on that. But we will be even more concerned if the subsidy is to be derived, as was suggested by one of the other speakers, from sales tax, income tax or from some other source of general revenue.

I listened with interest to the Liberal leader, who talked about the old concept that money derived from one source need not necessarily be spent in some associated expenditure. Gasoline tax need not specifically be dedicated to highway construction, as an example. I agree that not only is that not desirable but it's obviously quite impractical. Yet it's just amazing, the amount of correspondence that I receive — I don't know about other Members — on the whole question of the sales tax, which originally went from 3 to 5 per cent in order to pay for hospitals. I get a constant influx of letters complaining that the money raised for that source has not been spent on that kind of social service. That's a whole debate in itself because, as it happens, we've spent a great deal more on hospital facilities than you would ever get from 2 per cent of the sales tax. But that's another debate. I just interject it to demonstrate that there is not a simple or feasible way to relate the source of taxation revenue to the kind of expenditure that the government uses it for. That principle certainly holds very little water.

Perhaps the last note I would choose to finish on is that not only do I reject the 2 cent increase for the reasons I've mentioned, but also I'm quite distressed to notice that — and I haven't statistics to back it up — while this government has created a large number of buses and has expanded the bus service, it really bothers me to see how often the buses appear to be either almost empty or totally empty. Now I acknowledge that on the peak periods the reverse applies and the buses are well filled but that is such a very small fraction of the total hours that the bus service operates. And I'm so impressed by the number of times I see two or three buses in close succession, either all empty or almost empty.

I think that before we go any further in this whole area of trying to settle taxation based on matters such as gasoline tax, the government has to take a more co-ordinated and a more comprehensive total look at the whole situation. Because if we are spending a lot of money on new buses, and if we are providing a bus service which is not succeeding, for whatever reason, in persuading citizens to use that service, then maybe it's time to consider whether or not this rather facile argument that if you make car driving more expensive you automatically encourage more people to use the bus service....

While one of the advantages of being able to debate estimates to some greater degree will be to have more information from the Minister of Municipal Affairs, for example, on the whole picture — because some of the statements I'm making right now, admittedly, I can't back up with statistics and financial data regarding revenue and expenses, but there are a whole lot of important things in life you can't just show on a graph or measure in pounds or ounces, or in grams — as we now have with the metric system.

I'm simply saying that to the average observer, in our streets these days there is certainly a much larger number of buses visible, but what is equally visible is the fact that it seems that nine-tenths of the time they are completely empty. I just wonder if this government with this bill and its 2 cent increase isn't adopting too much of a piecemeal approach to the overall problems that are encompassed in this bill, namely the raising of tax revenues, the conservation of depleting resources, control of pollution and all the other factors that we've mentioned already in these comments about the total impact of this kind of legislation — or its failure to have much impact.

I think in winding up the debate the Premier should try to differentiate specifically what the primary purpose

was in this bill. Was it to raise more revenue? Was it to attain the other social goal of a greater conservation of fuel and a control, a better attempt to mitigate some of the effects of pollution from our numerous automobiles? I think the other question which it would be fair for the Premier to answer when he winds up the debate, particularly because of the interjection of the words "not yet".... Would he tell the House and tell the people

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of the province that, in fact, the \$34 million deficit in ICBC will come out of money which the government derives from taxation on gasoline?

**MR. PHILLIPS:** Mr. Speaker, the principle of this bill comes through to me loud and clear. The principle of this bill is increased taxation on the people of British Columbia so that the government can carry on its programmes of extravagance and waste and reckless spending which has been the pattern of this government since it came to power in this province in August of 1972.

**MR. D.E. LEWIS (Shuswap):** Nonsense!

**MR. PHILLIPS:** Some of the best years in revenue known in the history of Canada, and in specific, in the history of the Province of British Columbia, were the years 1973 and 1974 when our resource industries were demanding on the world markets the highest prices ever in the history of the sale of those resources — when not only was the demand the greatest, the price was the greatest and the revenues from those products to the Minister of Finance were the greatest. And I guess he had the attitude that this was going to continue for ever and a day without ceasing.

Now the government finds, after its years of waste and extravagance and reckless spending, it is caught in the pinch, and a lot of the wasteful programmes which it instigated are now costing money.

**AN HON. MEMBER:** Which ones? Name one.

**MR. PHILLIPS:** I'm going to name a few, just a moment. You just give me time. I'm going to name a few instances of your waste and extravagance — you better believe I am.

Interjection.

**MR. PHILLIPS:** I haven't spoken against Mincome and I haven't spoken against Pharmacare. How much does that cost? I'll tell you in just a few moments.

Interjections.

**DEPUTY SPEAKER:** Order, please.

**MR. PHILLIPS:** The government gets very touchy when you start talking about their programmes of waste and extravagance, instances of waste and extravagance and reckless spending of the taxpayers' money. Reckless spending of the taxpayers' money — that is why they brought in closure.

**DEPUTY SPEAKER:** Order, please.

**MR. PHILLIPS:** They brought closure into this Legislature so that we wouldn't be able to properly scrutinize...

**DEPUTY SPEAKER:** Order, please.

**MR. PHILLIPS:** ...their reckless spending methods. Yes, Mr. Speaker.

**DEPUTY SPEAKER:** Before the Hon. Member proceeds, it would seem to me that the speech on which he has already embarked would appear to be more appropriate on the budget debate rather than under this particular

bill. I would ask him to be a little more specific in relating his remarks to this bill.

**MR. PHILLIPS:** Well, Mr. Speaker, not only you but the rest of the government seem to get a little bit touchy when we talk about the reckless spending of the government. I have listened to the debate very carefully this morning on several issues, We are talking about taxation here, pure and simple. Taxation. That is exactly what I am talking about, Mr. Speaker: taxation and the punitive measures of taxing the people of this province to find money to spend on their own reckless programmes.

What I was saying was that during the years 1973 and 1974, the revenues to the province were never higher from the resource industries of this province.

I see the Premier has to leave the chamber because he can't stand the pressure of listening to people talk about his incompetence as Minister of Finance in this province.

**DEPUTY SPEAKER:** Order, please. This is not the salary vote for the Minister. I would ask you to confine your remarks to the bill, please.

**MR. PHILLIPS:** Is this not a bill brought in by the Minister of Finance?

The only reason this bill has to be brought in, and the principle behind this bill, as I explained to you a few moments ago, is strictly because of the incompetence of that Minister of Finance in being able to manage the taxpayers' money with discretion. That is the reason we have to have this bill to add another 2 cents to every gallon of gasoline. That is the reason we have to have this bill.

The tax from gasoline is not going to build roads in this province. The highways and the byways of this province have seen a continual, steady deterioration since this government came to power. This money certainly is not going to be used to improve the highways in this province. What we have now are not highways. You have to look for the highways in between the potholes. You know that, Mr. Speaker. I've been up in your area. You know the condition of the roads.

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The Minister of Highways (Hon. Mr. Lea) said last year that he wasn't going to build any new highways. They were going to consolidate and they were going to fix up the existing highways. Well, I will tell you, if that is his method of fixing up the existing highways, I would like to see what he would do if he was going to build new highways.

**MR. C. LIDEN (Delta):** Principle of the bill.

**DEPUTY SPEAKER:** Order, please. The Hon. Member has a tendency to stray away from the principle of the bill. I would ask him if he could try to keep his mind on the bill.

**MR. PHILLIPS:** Mr. Speaker, I listened very carefully when the Minister of Finance introduced the bill. What did he say the principle of the bill was? He didn't delineate what this money is going to be used for; so I take it for granted that it is just increased general revenue to the province.

**HON. MR. BARRETT:** Point of order, Mr. Speaker. I did specifically state what it was for. Didn't you take any notes?

**HON. MS. P.F. YOUNG (Minister of Consumer Services):** He wasn't listening.

**MR. PHILLIPS:** I listened very carefully to your remarks.

**HON. MR. BARRETT:** I'll read it again if you like.

**MR. PHILLIPS:** No, I'll just carry on.

**DEPUTY SPEAKER:** Order, please. I think there is no point of order. I think the Hon. Member should know what the point of the bill is.

**MR. PHILLIPS:** It is always amazing....

**DEPUTY SPEAKER:** Some latitude is allowed as long as the Hon. Member relates it to the principle of the bill reasonably frequently.

**MR. PHILLIPS:** The principle of the bill is increased taxation. What concerns me is where this money..... I listened to the Member for Oak Bay (Mr. Wallace) talk about where the money was going to be spent. You were very lenient. But you get very touchy, Mr. Speaker, when somebody talks about the waste and extravagance that is prevalent in British Columbia today.

**AN HON. MEMBER:** Time.

**MR. PHILLIPS:** You get very touchy, Mr. Speaker.

**MR. LIDEN:** The Oak Bay Member makes sense; you don't. The Oak Bay Member makes sense.

**MR. PHILLIPS:** At the present time, through punitive taxation on the petroleum industry, we have literally driven the petroleum industry out of British Columbia. Money could have been derived from taxation on the petroleum industry which would have eliminated the necessity of bringing in this 2 cent a gallon tax on people. The money could have been derived from the natural resources. But the government, in their great haste, and led by their philosophy, drove the petroleum industry out of British Columbia. Now they are taking a look and they are going to offer incentives to bring the petroleum industry back to British Columbia because they need the revenue.

They need the revenue and they are reassessing. If they had listened to the opposition in the first place, Mr. Speaker, the petroleum industry would still be a thriving industry in British Columbia.

They have driven out the mining industry, and you can recognize in the budget that the revenue from the mining industry is down, down, down. This is why it is necessary for the Minister of Finance to bring in punitive taxation measures like 2 cents a gallon on gasoline. We used to, Mr. Speaker, at one time have the lowest gasoline prices of any province in Canada. What has happened now? We're among the highest.

The reason that we need these punitive taxation measures is because of the increased cost of running this government. That's why we have to add 2 cents a gallon to our gasoline. It's another people tax to pay the 227 per cent increase in the cost of running this government that has been incurred by that Minister of Finance and the bungling and reckless spending and wasteful spending by that government. That is the reason this bill is necessary.

Now it was amazing to me, Mr. Speaker, to hear the Attorney-General (Hon. Mr. Macdonald) of this province, when speaking about the loss of the Insurance Corp. of British Columbia, and the loss in the ferry system of British Columbia, and the loss in the transit system of British Columbia, say: "Well, when these corporations lose money, the people of British Columbia gain." Well, if that is the type of theory that this government uses, it is no wonder that we have to bring in bills like this to increase taxation, because when Crown corporations lose money because of mismanagement and because of waste and extravagance in running those corporations, the people do not gain. The people lose. That is why we have to have this punitive taxation.

The Attorney-General says that when we mismanage a Crown corporation, when we spend

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thousands and thousands of dollars on useless advertising, the people of this province gain. How stupid can you get, Mr. Speaker? How stupid can the Attorney-General be to think that he is going to sell such a bill of goods to the people of British Columbia?

**DEPUTY SPEAKER:** Order, please. On the matter of the comments regarding the Attorney-General, I think

the Hon. Member should make a distinction again between commenting on the Attorney-General's comments and on the Attorney-General himself.

**MR. PHILLIPS:** Well, I am saying the Attorney-General's comments were stupid — absolutely stupid. To try and tell the people of this province that if a Crown corporation loses money they gain, when the Crown corporation loses money because of mismanagement and bungling, is just stupid.

**HON. MR. BARRETT:** Should we up the ferry prices?

**MR. PHILLIPS:** No.

**HON. MR. BARRETT:** Double the ferry costs — that's Social Credit policy.

[Mr. Speaker in the chair.]

**MR. PHILLIPS:** Sure, you come back with your old cliché — double the burden. Why don't you manage the ferry like it should be managed? Why don't you use some decent business techniques in running the ferry?

**HON. MR. BARRETT:** We should close them down, then.

**MR. PHILLIPS:** No, your mismanagement of the ferry system....

**HON. MS. YOUNG:** You lost money every year on them!

**MR. SPEAKER:** Order! Are we on the Ferries Act, or is this Bill 31? I just came in.

**MR. PHILLIPS:** No, this is not the ferries amendment Act; this is an Act to tax the people of British Columbia to the point where their backs break. That's what it is. It's an Act to break the backs of the taxpayers of British Columbia.

**HON. MR. BARRETT:** The only back that's broken in here is over there.

**MR. PHILLIPS:** My back isn't broken.

**HON. MR. BARRETT:** No, no, the guy who isn't here.

**MR. PHILLIPS:** Oh, yes. Act funny. Try and get off the subject. We're talking about the management of the taxpayers' dollars. The taxpayers of this province who are sick and tired of you putting on the clown act while you gloat and deliberately waste their dollars! The people of British Columbia are sick and tired of it! As a matter of fact, Mr. Speaker, that Premier will probably go down in history as the most hated Premier that the Province of British Columbia has ever had!

**HON. MR. BARRETT:** Oh!

**MR. PHILLIPS:** Mr. Speaker, we know that the government is in financial difficulties at the present time. We know that the government can't pay their bills. They are running 90 to 120 days behind time in the payment of their bills, so we have to increase taxes.

Where is the money going? The revenues to the government in '73 and '74 were never higher in the history of the province. We also know, Mr. Speaker, that the government overran their budget in two years by \$719 million. Is this the reason that we have to bring in this bill to increase the gasoline tax — because of the waste and extravagance of that government? Yes, \$719 million that never came near this Legislature was spend in overruns by that government. There was \$103 million in one department alone.

Do we have to increase taxes on gasoline to pay the wages of Mason Gaffney, who was supposed to be the economic adviser to the cabinet, or is he just the economic adviser to the Hon. Robert Williams, Minister of Lands,

Forests and Water Resources? Has the Premier shut them out after taking \$5 million out of general revenue to set up an economic planning branch at the University of Victoria? And now we hear nothing from them. I can't think of one solid, single, solitary piece of advice that Mason Gaffney has given this Legislature — not one single, solitary piece of advice — and yet there was \$5 million taken out of general revenue to set up a think tank, Williams, and Gaffney. But Williams and Gaffney have been pushed in the background by the Premier now.

We have another department — \$262,000 of the taxpayers' money going to pay Mark Eliesen, the exorcist from Winnipeg, who is supposed to be giving economic advice to the Minister of Finance. If this new advice that the Premier is getting, which the taxpayers are paying \$262,000 for, is advice to increase taxation in British Columbia, we would far

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sooner go back to Gaffney. At least we paid for him and he didn't say anything. But if Eliesen is giving us this kind of advice, that kind of advice we can do without because we don't need increased taxation. So we would rather go back to the Williams-Gaffney economic planning consultants because at least they weren't giving the Premier this kind of advice.

We just have to wonder why this government cannot pay its bills. Why is it running 90 to 120 days behind? Is that the reason for bringing in this punitive taxation measure in British Columbia? Why is the government broke when the Premier says that we still have surpluses? Why can't the government pay its bills? We had two instances in the Department of Highways where the bills were four months old, and the accountant in that department says that he can't really find out why. Why didn't he come out and say that the government is broke? The Government of British Columbia is broke today. And if it wasn't broke, Mr. Speaker, we wouldn't have to be bringing in punitive taxation measures like we are seeing tabled in this Legislature today.

Mr. Speaker, you remember just a few moments ago, if you were in the House, the Premier, in glowing terms, talked about protecting the small people in British Columbia. I want to tell you that this 2 cents a gallon plus the 10 cents a gallon on gasoline that is going to shore up that broken company called Moscow Mutual works a greater hardship on the small individual, common, ordinary people whom the Premier was talking about a little while ago, than it will those rich fat cats that he was talking about. It doesn't matter to them. They can buy their gasoline, but the ordinary, family man who has a family and who has a three- or four-year-old car — one of those cars with a lot of the pollution equipment on it that burns more gas than one of the later models — they are the people who will be paying the bulk of this gasoline tax. They are the little people whom this government purports to help, who will bear the brunt of this 2 cents a gallon plus the 10 cents a gallon to shore up the insurance company of British Columbia.

I believe that this government spends money because they believe in the old saying. I remember when I was a kid and I used to spend money and my mother used to say: "Are you afraid it will burn a hole in your pocket?" So I think the government is afraid that if they have some money in the bank that it will burn a hole in the bank. As soon as they get a little money, if they haven't got a programme, they go out and they create one to spend it. They invent a way of wasting the taxpayers' money.

I remember not too long ago when we were talking about spending the taxpayers' money and I was condemned for standing in this Legislature and fighting on behalf of the taxpayers. They said that I was costing the taxpayers of this province, I believe the figure was \$2,000 an hour. That's what it costs to run this Legislature — \$2,000 an hour. Now what exercise did we just go through, Mr. Speaker? For nearly three weeks this Legislature stood at a complete standstill....

**MR. SPEAKER:** I wish the Hon. Member would return to the principle of the bill.

**MR. PHILLIPS:** I am talking about the principle of the bill. I am talking about taxation, if you would just let me finish my comments. How many thousands of dollars of the taxpayers' money were wasted in this Legislature in the last three weeks simply because of the childish attitude of the Premier over closure?

**HON. MR. BARRETT:** What's that got to do with the gas tax?



**MR. PHILLIPS:** It's got a lot to do with gas tax because the taxpayers' money was wasted in this Legislature at the sum of \$2,000 an hour, Mr. Speaker — \$2,000 an hour — and think of the number of hours that we spent in this Legislature!

**MR. SPEAKER:** I wish the Hon. Member would get back to the question of taxation rather than the question of expenditures, particularly when it doesn't have anything to do with this particular measure, which is Bill 31.

**MR. PHILLIPS:** Mr. Speaker, we are talking about taxation.

**HON. MR. BARRETT:** The gasoline tax.

**MR. PHILLIPS:** As soon as the money is taxed it goes into the general revenue, into the hands of the Minister of Finance, and he spends that money.

How many gallons of gasoline and how much revenue from this 2 cents per gallon of gasoline, how many people are going to have to buy gasoline to pay for running this Legislature during the last three weeks? Think about it. It wouldn't be necessary to have this bill at all, maybe, if we hadn't wasted three weeks spinning our wheels in this Legislature strictly because of the childish attitude of the Minister of Finance. That's why I say that this government is a past master at wasting taxpayers' money.

**MR. SPEAKER:** It sounds like a detour; I wish the Hon. Member would get back to the question of the tax itself.

**MR. PHILLIPS:** Mr. Speaker, as I said when you were not in the chamber, this is a punitive taxation measure to give more money to the Minister of Finance so that he can carry on with his programmes

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of waste and extravagance.

How much of this money, Mr. Speaker, is going to be used for the Insurance Corp. of British Columbia, a corporation that is probably the worst-run corporation in North America? As a matter of fact, it's run so badly that they had to spend three-quarters of a million dollars to try and tell the people of the province how well it was being run. Waste....

Interjection.

**MR. PHILLIPS:** No, they didn't believe it; it was a complete waste. Operation Turnabout — a complete waste of money. A complete waste of the taxpayers' money.

As we go through the budget, we see time and time again tens of thousands of dollars for advertising and brochures to try and tell the people of British Columbia what a good job the Minister of Finance is doing. I don't care if they spend \$1 million or \$1 billion on advertising. The people of this province are not stupid; they know that taxes in British Columbia are going up. This is just one instance of increased taxation in British Columbia this year. Let's look at some others.

There will be an increase in school taxes this year — the notices will soon be out — after this government promised to remove school taxes from family homes and farmland.

Interjection.

**MR. PHILLIPS:** Sure — we've seen the ads in the papers: increase 29 per cent; increase 50 per cent; increase 40 per cent; increase 20 per cent. Mill rates for school taxes are up all over the province — this is from a government that promised to remove school tax from farm property and homes.

Municipal taxes will be up in practically every municipality in British Columbia. Why? What are some of the

increased costs to municipalities? One of, them is gasoline tax — right here. You passed this on to municipalities; they in turn have to pass it back to the taxpayer. It's the taxpayer who in the end has to pay. It's the taxpayer who has to pay.

We talked about a loss on the transit authority. Why is there a loss on the transit authority? Is it because of mismanagement? I have to think it is mismanagement. The Attorney-General (Hon. Mr. Macdonald) says: "Oh, but the people win." The people don't win when the government mismanages their money.

We had just recently in this House an exposé of empty office space — over one-third of a million dollars of empty office space. The only reason I'm bringing this up, Mr. Speaker, is to point out to you that if the government were prudent and were able to manage this province, we wouldn't have to have this bill today. Had they been prudent in managing the affairs of this province, we wouldn't be faced with an increase in gasoline tax today.

Mr. Speaker, you can't go around buying \$92 stacking chairs from Denmark and expect to keep taxation down. Ninety-two dollar stacking chairs — about three times what you'd pay for an ordinary stacking chair in an office. This is why the government has to bring in this taxation bill today, because of the waste and extravagance on behalf of those weak government Ministers over there who couldn't run a peanut stand and make a profit on it.

I was reading an article in the paper this morning, an interview with the Second Member for Victoria (Mr. D.A. Anderson), the Liberal leader, who gave instances of people in Victoria cashing welfare cheques with California driver's licences — this is the type of waste in the welfare department we're talking about. How much of it is waste? How much of it is going for a bureaucracy, and how little of it is getting back in true benefits to the people?

Mr. Speaker, had this government been prudent and managed the affairs of this province, we could have \$1 billion in surplus today, and the necessity of bringing in Bill 31, a bill to increase gasoline tax, would not be necessary.

The Premier is talking about going out and building an oil refinery. He's going to take \$350 million of the taxpayers' money to build an oil refinery.

First of all, he is away out on the \$350 million, because the last plant that was completed in Edmonton, 125,000 barrels a day, cost \$500 million. The one they are planning in either Edmonton or Red Deer is going to cost close to \$1 billion. This is another way the Premier has of misleading the people of British Columbia. I will bet that before the refinery finishes, it is going to cost closer to \$750 million, or maybe never be built. But if it is built, he says the money is free because we got it from the United States. We got it from the increased price of natural gas.

How much, Mr. Speaker, did the homeowners of British Columbia contribute? How much are they paying for their natural gas? Another little tax was snuck in last year, a 30 per cent increase, which all goes into the B.C. Petroleum Corp. — goes back into revenue to allow that Minister of Finance to waste some more money, because he is on an ego trip to build an oil refinery and a steel mill and a copper smelter.

Mr. Speaker, had we not gone out and purchased tens of thousands of acres of land which was unnecessary to purchase, we would not have to be bringing in this punitive taxation measure today.

The government seems to think that they can spend and spend and spend and waste taxpayers' dollars without the taxpayers becoming aware of it.

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When the taxpayers don't buy their policies, they say: "Oh, it is because we are not getting our message out; we are not telling the people what a good job we are doing." How much of this money from this bill is going to be used to buy the people with their own money? How much of this 2 cent a gallon tax on gasoline is going to be used for advertising, for pamphlets, to try and tell the people what a great job the Minister of Finance is doing?

**AN HON. MEMBER:** Are you against this bill?

**MR. PHILLIPS:** I am against waste and extravagance, wanton spending of taxpayers' dollars; that is what I am against. Waste and extravagance with the taxpayers' dollars: that is what I am against. The Minister of Highways (Hon. Mr. Lea) should be the last one to speak because he can't even pay the bills in his Department of Highways. I don't know whether the Treasury Board has cut him off, but he allows his bills to go sometimes four and five months before he pays them.

The people of British Columbia are sick and tired of seeing one measure after another brought in by this socialist government to increase taxation. One measure after another. Oh, they are small, but they all add up. In the near future, if we continue on the same trend on which we are now going, people who live in British Columbia will be the most highly taxed people in Canada. Instead of being a have province, we will be like the Maritimes; we will pay the highest taxes of any province in Canada.

It was interesting to note just a short time ago when the Minister of Labour (Hon. Mr. King) was comparing unemployment rates; did he compare unemployment rates with Ontario? Did he compare unemployment rates with Alberta? No, he compared unemployment rates with Newfoundland, Nova Scotia and New Brunswick. So the Minister of Labour already realizes that we are fast becoming one of the have-not provinces of Canada because of the punitive taxation measures of that socialist government.

Mr. Speaker, there are tax increases nearly everywhere you look. The cost of natural gas is up. The cost of hydro is up. School taxes are up. Municipal taxes are up everywhere you look. What is next, Mr. Speaker? Is it going to be an increase in the SS&MA tax? Are the people of British Columbia going to be faced with a 7 per cent social security tax as the next measure? Is that what we are looking forward to in British Columbia in becoming a have-not province from a have province? I have never in my wildest dreams anticipated that this government could lead this province from one of the lowest-taxed provinces in Canada to fast becoming one of the highest-taxed provinces in Canada.

It is not necessary, Mr. Speaker. If we had a government that had the ability to run this province and the ability to run a corporation, we wouldn't be faced with this increased taxation. As I said before, Mr. Speaker, I don't care how much money the Minister of Finance tries to spend on selling his product. The people realize what is going on. They know about the waste. They know about the increased cost of government — over 227 per cent in three years. They know that they are being indebted to countries we don't know where. We don't know who they are indebted to. That is a conspiracy of secrecy. We don't know where we are borrowing this money, but it is the taxpayers of British Columbia who are going to have to pay the interest on it. While the Premier continues on his ego trip and builds oil refineries, the bureaucracy of British Columbia frolic around British Columbia in real estate.

Mr. Speaker, it makes me sad to see what is happening in British Columbia today. All of those little people that this government was supposed to be working for are the ones who are paying the bulk of the increased tax — the little people that this government is supposed to help.

I hope, Mr. Speaker, that when the Premier closes this debate he will advise the House that he's going to put a curtailment on spending, that he's going to try to get rid of some of the waste and extravagant cabinet Ministers that he's got before they break him and the province, that he's going to reshuffle his cabinet. I don't know whether he's going to get any better material than what he's got in there right now, but he's going to have to make some changes somewhere.

The first change he should make, Mr. Speaker, is to get rid of the Finance portfolio — himself. It wasn't too many years ago, Mr. Speaker, that the present Premier was condemning a dual portfolio of Premier and Minister of Finance. And now what does he do, Mr. Speaker? He carries both those portfolios himself. And he doesn't do a good job at either one of them! He doesn't do a good job at either one of them, Mr. Speaker.

So we have Bill 31. Yes, it's a bad number. We had another Bill 31 which hurt the people of this province, and here's another Bill 31. It's sort of unique that they both have the same number. We have increased taxation, punitive taxation, while the waste and welfare continues on in British Columbia. I notice that the Premier is smiling in his usual manner, because he revels in increased taxation and he revels in waste, and unfortunately he's dragging the province down, down to depths of taxation that we've never known before. Where it will all end, Mr. Speaker, I don't

know. I don't know whether it will end. But I'll tell you the people out there, the taxpayers of this province, realize what's going on. They know.

Interjections.

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**MR. PHILLIPS:** Oh, there's the Minister of Transport and Communications (Hon. Mr. Strachan), the Minister who's born to lose! Everything he touches his hand to automatically becomes a loss. And he's over there groaning. No wonder he's groaning, Mr. Speaker. As I said last year, you never take a race horse and put it in front of a plough. That's what the Premier did when he put that Minister in with such heavy responsibilities. He hasn't been able to live up to its continual loss, loss, loss. Everything he touches ... and then he wants to take over television.

**AN HON. MEMBER:** He can't lose it fast enough.

**MR. PHILLIPS:** He can't lose it fast enough now — he wants to enter into yet another field. It's a sad and sorry day for British Columbians, Mr. Speaker.

I would advise the Minister of Finance to get rid of the portfolio. I don't know who you're going to give it to, but you certainly can't handle it.

Interjections.

**MR. PHILLIPS:** There's going to be a cabinet reshuffle. Maybe that's what's in his plans.

I just want to close on this note, Mr. Speaker. People of British Columbia realize that there is waste in government. They know that the Minister of Finance is unable to control the spending of his cabinet Ministers. We know that he has lost complete control of government spending. We know that the government is practically broke today because they can't pay their bills. I don't know how we're going to get out of it, but I hope when the Minister of Finance closes debate he will give us some little bit of reassurance that we're not going to be looking at more taxation when the next budget comes in, as we have in the past three.

**MR. P.C. ROLSTON (Dewdney):** Mr. Speaker, I enjoy listening to the Member for South Peace River (Mr. Phillips). In fact, I think, our subconscious sometimes brings up things. Psychologists tell us that we sometimes dream things that maybe we actually deeply feel. I have had a dream occasionally of the end of the fescue season in the Peace River. A fescue farmer drives through a snowstorm in the South Peace and he comes to the Member for South Peace's used-car lot. There's a great fleet of convertibles — last year's convertibles. I don't think they make convertibles any more. And that Member comes bounding out of the used-car lot salesroom to sell that fescue farmer a convertible in the snow.

Mr. Speaker, I think it's important for the people to realize that this government until now hasn't changed the diesel and the gasoline price. The gasoline price of 17 cents, except for Alberta and Saskatchewan, is as low or lower than all the provinces in Canada. It's considerably lower than the big provinces like Quebec and Ontario.

**SOME HON. MEMBERS:** Oh, oh!

**HON. MR. BARRETT:** Order! You are bringing facts into the debate. That's not....

**MR. ROLSTON:** Mr. Speaker, it seems okay for the federal government to spend millions and millions of dollars on the Montreal airport, the world's largest airport, which is going to involve transportation and fuel and a tremendous amount of federal money on this gigantic airport. Yet this government is struggling to provide services to people, transportation to people. That Minister of Municipal Affairs (Hon. Mr. Lorimer) and the Minister of Human Resources (Hon. Mr. Levi) and the Hydro board members have not really hit the GVRD for that 2 mills which I thought they were going to hit them for transit. We are providing \$17 million worth of transit in the lower mainland, Mr. Speaker. We have not hit up the GVRD, to my knowledge, for that 2 mills that you were talking

about.

Interjections.

**MR. ROLSTON:** Seventeen million dollars worth of transit provided for people in the lower mainland and the Victoria area.

Interjections.

**MR. ROLSTON:** We are talking, Mr. Speaker, about taxation on fuel which is donated to transit and transportation — a fantastic programme for the people. I understand the senior citizens can travel in the metro Victoria and metro Vancouver areas for \$5 for a pass — am I right? They can travel with a pass for \$5 in Victoria. I think that is responsibility; that is stewardship; that is prudence. That is directly related to this discussion today on this Bill 31.

Interjection.

**MR. ROLSTON:** Yes, right. We try to provide a system of hourly bus service up to Haney or Maple Ridge and eventually out to Langley and Hope. We are trying to rationalize a reasonable rate structure, but it is a subsidized rate structure, Mr. Speaker. Hydro, your electric light bill has paid for that, and I think that is a deliberate, responsible policy of a democratic socialist government which has not really raised more than 2 cents — in fact I think for many years there has been no change in the gasoline tax.

I remember the previous government used to send this to our household, and think of the other have

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provinces, provinces like Quebec, who must be getting, what, \$100 million for that airport, the world's biggest airport? That's our money, too, you know. That's transfer payments into that gigantic airport. What kind of transfer payments are we really getting when it comes to talking about transportation? I think this is very responsible.

If everybody is going to do their job on taxation.... The tax notes for our house came this week and my wife tells me there was about an 11 per cent increase on school taxes. School taxes were \$233 less the homeowner's grant plus the school tax removal grant and I pay \$3.20 for school taxes. He talks about an increase! We have excellent schools in Mission, excellent schools. We are barely paying 11 per cent increase on municipal taxes in Mission, so let's not hear that stuff.

All the Members can read the second section of *The Province* paper this morning when it comes to the average municipal and school taxes and the GVRD, and there is hardly that great an increase, about \$600 in Vancouver. You know what has happened to the appreciation of houses in Vancouver. That's sure not reflected in school and municipal taxes, So let's not hear that kind of stuff from that Member.

He doesn't say that in municipalities like Mission there was a 35 per cent increase on insurance costs, which is not a reflection of ICBC; protective services, police services and that — a 24 per cent increase; transport — 72 per cent; roads and streets — 98 per cent increase. This is not the only budget, Mr. Speaker, that sees increases. The municipality of Mission, which is trying to do a good job, sees a 98 per cent increase in roads and streets. Environmental health — 90 per cent increase.

**AN HON. MEMBER:** He ran out of the House.

**MR. ROLSTON:** Yes, he can't take it. We're in a time, Mr. Speaker — I really regret this — a time of inflation. I think we all seriously have got to deal with that. But, by George, to leave the impression that our budget, unlike the federal government's budget.... They spent \$17 million in their co-ordination service in the east block in Ottawa — \$17 million. We were told on television last night Mr. Diefenbaker's government spent about \$550,000 on that east block planning and co-ordinating a privy council facility. Seventeen million dollars is spent in this budget,

so let's not hear about our modest \$230,000 in Mark Eliesen's planning office. By George, one thing this government is trying to do is co-ordinate the services of government! With 20 departments that become complex — there have to be checks. You do have to see that there's a rationalization to what one department does with another department. I'm quite prepared to spend that kind of money.

I just want to make it very clear that in the town where I live — I'm sure you could make this trip right around the other towns — I think that the municipal or what we call the general taxes have been quite reasonable, despite the fact that municipalities like Mission are hit with inflationary and higher labour costs. So let's not hear this.... A modest 2 cents.

Personally I am not here to promote the automobile, and maybe I had better say that quite honestly. I feel that the automobile should stay home as much as possible and that we should use buses. The Member for West Vancouver–Howe Sound (Mr. L.A. Williams) I understand has, for a decade, been using the blue bus in West Vancouver. This government provides half of the losses for that blue bus system in West Vancouver. This government this year has picked up subsidies on five new municipal transit systems, and every year we are increasing the subsidies on municipal transit systems. So let's not hear any of this cynicism about Bill 31. I think it's a very prudent, responsible, but timely and modest increase — 2 cents on gasoline tax.

**MR. GIBSON:** It was really kind of the Hon. Member for Dewdney (Mr. Rolston) to tell this House how good the government has been to the public transit rider. I think he used a figure of \$17 million, which I guess he gets out of the B.C. Hydro transit deficit and he has maybe added a couple of million dollars from the budget of the Minister of Municipal Affairs — \$17 million, Mr. Speaker. Kind.

What is the projected revenue of the gasoline tax and the motive fuel-use tax that is coming in? He didn't mention that because it is \$196 million. There hasn't been much of that taken and deployed to the needs of the people in public transportation in British Columbia.

The real principle of this bill that ought to be debated is the question of conservation — the conservation of a scarce resource in this province, far scarcer than natural gas. We are a deficit area in oil and therefore in gasoline; We produce less than 50 per cent of our own oil.

In his opening remarks the Premier suggested that conservation was what this bill was about and he took little sideways steps and said: "The way you get conservation of gasoline is by putting money into transit." We all know that that's not what this bill is about. This is the ICBC bail-out bill. This money is going into the ICBC deficit. It is an accounting entry. It is taking some money from the motorists at the gas pump and giving it back to him on the other side with his ICBC premiums, Nothing to do with transit, Mr. Speaker. It's a nice line, but it won't work.

If the Premier was really interested in conservation of gasoline and oil supplies in this province, he would have done a lot better than 2 cents. This is the

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Mickey Mouse motive-fuel tax. That's what it is, Mr. Speaker. It should be going up a lot more than 2 cents if the Premier is really interested in the conservation of oil and gasoline in this province. There should be a system of regional taxation whereby people in areas where there is no public transportation, where they simply must use their cars, will not be hit as hard as the people in the areas where there is public transportation. If the Premier really wanted to encourage public transportation and he really wanted to conserve oil and gasoline in this province, that's the kind of thing he would have done.

One of the Hon. Social Credit Members had an important argument — all of the Social Credit Members are honourable — but one of the Hon. Social Credit Members had an important argument. The argument was that...

**HON. MR. BARRETT:** Why did you have to explain that?

**MR. GIBSON:** It's a technical point, Mr. Premier, and the people outside the House might not understand.

The argument was that a rise of 2 cents in the gasoline tax at this time is a contribution to inflation. That is, as I say, an important argument. However, governments are able to get around that kind of thing. They use the revenues they pick up in one area to lower the taxes they would otherwise have to charge in another area and, therefore, on a net basis government is not taking any more out of the income stream. But what they are doing is changing the consumption patterns of scarce natural resources to more accurately reflect the needs of our society. That's what this government should be doing in the case of gasoline taxes. They should be going up far more than 2 cents a gallon, Mr. Premier. For that reason, as my leader said, our party will be voting against this bill.

**HON. MR. BARRETT:** Do you have an amendment to suggest? How much do you want it to go up?

**MR. GIBSON:** I don't have an amendment to suggest at this stage, Mr. Premier. Of course, as you know, such an amendment would have to come in by message from His Honour, the Lieutenant-Governor.

**HON. MR. BARRETT:** I'll speak to His Honour. How much do you want it to go up?

**MR. GIBSON:** If you will certify that His Honour will sign my amendment, I will have one signed by His Honour. I will go out there first just to check that it's right, and I will have it on your desk on Monday morning — if you'll tell me that.

**HON. MR. BARRETT:** How much do you want to put it up? What's the Liberal position on gas tax? Do you want to double it? That's what your leader said.

**MR. GIBSON:** Mr. Speaker, holy standing orders! He can't do that!

**HON. MR. BARRETT:** Why?

**MR. GIBSON:** He is asking me to reveal in advance of proper notice a matter of Liberal policy! (Laughter.) Mr. Speaker, we have a policy conference this weekend. Does he want me to scoop our own policy conference?

**HON. MR. BARRETT:** You'd better do it now while you still have a party.

**MR. GIBSON:** Mr. Premier, that wasn't right. But if you want to look back in the *Hansard* proofs for today, you will find that my party leader did suggest a figure.

**HON. MR. BARRETT:** Double, that's what he said. And we will have to tell the world what the Liberals said.

**MR. GIBSON:** Ah, you tell them the whole story! You tell the people in the parts of the province that are going to be hit by your 2 cents but wouldn't be hit by our suggestion because they have to use cars. There is no public transit in those constituencies — you tell those people why they should have to pay those 2 cents when they wouldn't have anything more to pay under our proposal.

**HON. MR. BARRETT:** Not even cars.

**MR. GIBSON:** That's right. You tell them that.

No, Mr. Speaker, this proposal isn't good enough. I say to you that it is nothing to do with rapid transit, public transit. That is the essential idea to get across in this debate. It is an accounting entry. It is taking of 2 cents out of one of the motorist's pockets for every gallon and putting it back in the other pocket through his ICBC premium. It is just as simple as that. Therefore I say it is just a piece of flim-flam political bookkeeping that shouldn't be supported in this House. We don't propose to support it.

**MR. J.R. CHABOT (Columbia River):** Just a few short words on this bill. In opposition to this bill, Mr. Speaker, I want to make my position abundantly clear at the outset. I hope that the Premier realizes that there is nothing in the bill that suggests where the money will be directed. I wouldn't doubt for a

moment that the Premier would say that maybe we need it for the Columbia River overrun of \$137 million. He uses that argument on every new tax measure and every loaning bill that comes before the House. I hope that when he closes the debate he will give us assurances that this will not be utilized for that Columbia River overrun.

Mr. Speaker, it is quite obvious as we debate this new imposition of taxes on people that what we are looking at is a tax-oriented government, a government which in 1972 suggested that the bulk of their revenue would come from the resources of this province. We know full well from the examination of their budget that the bulk of revenues does not come from resources; the bulk of revenue comes from income tax from the back pockets of the taxpayers of this province. There is anticipated growth in income tax of over \$200 million. That is what this government believes in — taxing the people, taxing the wallets of people, not taxing the resources of the province. The anticipated resource revenue is down substantially this year, but you better believe that income tax is up substantially.

This bill here is a bail-out bill for tragic extravagant mistakes made by that government which started shortly after their election to office. The No. 1 mistake was made by the Minister of Public Works (Hon. Mr. Hartley) when he paid over \$150,000 too much for the Glenshiel Hotel. Is this bill going to pay for the mistake of the Minister of Public Works?

**MR. SPEAKER:** Order, please. Would the Hon. Member for Columbia River be seated? Do you have a point of order?

**MR. CHABOT:** No, he doesn't have a point of order.

**HON. W.L. HARTLEY (Minister of Public Works):** He is attempting, as usual, to present false information. I ask withdrawal.

**MR. SPEAKER:** I think the proper course to follow is that the Member who feels his statements have been impugned makes a statement to the House, and it is accepted by the House. The matter will rest there.

Will the Hon. Member for Columbia River please proceed?

**MR. CHABOT:** Yes, thank you, Mr. Speaker. That was colossal mistake No. 1 by the Minister of Public Works. We have the evidence now of the vacant offices that exist in this province, offices which have been rented for months and almost years in the neighbourhood of \$500,000 of taxpayers' money wasted. Is that what this 2 cents a gallon tax on gasoline is going for, to pay for those vacant offices that have been leased unnecessarily by the Minister of Public Works?

**MR. SPEAKER:** Excuse me, Hon. Member. That subject has already been cancelled.

**MR. CHABOT:** Cancelled?

**MR. SPEAKER:** That is the word I want (laughter) — but has been canvassed by the Member sitting beside you. You apparently were not in the House at the time, so I would suggest that we would get on with further points on the principle of the bill.

**MR. CHABOT:** Yes, Mr. Speaker. I wonder what this 2 cents a gallon is going for. Is it for the overruns in that broken-down Department of Human Resources with a Minister who can't manage 2 cents, who has a budget far in excess of his administrative abilities? Is this money going for the extravagant land purchases of that government at exorbitant prices?

**MR. SPEAKER:** May I point out to the Hon. Member that both those additional subjects he has spoken of were also spoken of in the House by the Member who is sitting beside him? Therefore could he go on to some other subject?



**MR. CHABOT:** Yes, Mr. Speaker, Will this money go to pay for the lavishness and extravagance of the tourist information booth in the community of Golden? Is that what this bill is for, Mr. Speaker?

**MR. SPEAKER:** No, that wasn't covered. (Laughter.)

**MR. CHABOT:** Thank you very much. That's a new subject that I brought to the House, Mr. Speaker.

No, when I look at this bill, it makes me think that what we have in this province is a boomer government, a government on the run, a "Saturday night rich and Monday morning poor" government, and the taxpayers of British Columbia reaping the wrath of their mistakes. There's nothing in this bill that suggests that the additional revenue is going to go into job-creating employment in this province — nothing whatsoever. When unemployment exceeds 100,000 in this province at this time, there's nothing here that indicates that these people are going to be helped, people that desperately need jobs in this province today. There's nothing here to suggest that. No, Mr. Speaker, I suggest that this bill is a bill to cover up the past mistakes of that government, the waste and extravagance.

Is this new tax that is being imposed going to pay for the lavishness of the office of the rentalsman? We've allocated \$2 million for the rentalsman, a man who opposes rent controls in this province and who

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has the administrative responsibility to administer rent controls. Yet we're pouring out \$2 million for that position. Is that what this new gasoline tax is going for?

Mr. Speaker, there is no need for this additional tax at this time. All we need is a little bit more administrative ability over there by that government, rather than the imposition of new taxes.

The Premier has a great way of talking about his concern about the little people. It's a commonly known fact that there are considerably more little people in this province than medium-sized or big people. This bill is going to hit them worse than anyone else. Those who can't afford it, those in the country who have to drive their cars to work many miles: these are the people who are going to be penalized by this new tax being imposed by this government. This is one of the prime reasons, Mr. Speaker, that I can't support this new punitive tax measure by that socialist government.

**MR. SPEAKER:** The Hon. Minister of Finance closes the debate.

**HON. MR. BARRETT:** Mr. Speaker, I didn't anticipate that I would be on my feet this soon. (Laughter.)

**MR. CHABOT:** I believe in being brief all the time.

**HON. MR. BARRETT:** Well, I know you believe in being brief, but you can't speak for your colleagues — not even briefly.

I'd like to go over some of the incorrect statements, first of all, that deal with some of the suggestions that were made and then perhaps deal with some of the questions as well.

First of all, the statement was made by the Hon. Member for South Peace River (Mr. Phillips) that our gas tax was among the highest in Canada. That is not a true statement, Mr. Speaker, but I'm sure the Member did not make that intentionally. It's just that his research was inadequate. To correct that Member so he won't repeat that mistake, as I know that he would not want to leave the House going around making that statement once he was corrected, I would suggest that the Member will go around telling people that he was wrong in saying that the gasoline tax is among the highest. Newfoundland is 25 cents, Prince Edward Island is 21 cents, Nova Scotia is 21 cents, New Brunswick is 20 cents, Quebec is 19 cents, Ontario is 19 cents, and the third-lowest in Canada is British Columbia at 17 cents.

**MR. CHABOT:** It used to be the lowest.

**AN HON. MEMBER:** No, it's never been.

**MR. CHABOT:** Sure it has; it's been lower than Alberta.

**HON. MR. BARRETT:** I want to point out, Mr. Speaker, having corrected this, that I expect never again to hear the Member running around the province saying that it's among the highest, because he would not want to be incorrect or quoted correctly as being incorrect. If he needs some reminder of this, I am prepared to give him an autographed copy of the budget speech so that he can present that to his constituents as he goes around and say: "Here is what the facts are." The Premier even sent along a copy for his own personal use when he reports to his constituents. I wouldn't want anyone to believe that that Member would go around this province saying things that he knows now are incorrect, though he did leave the impression, I'm sure, that he was correct in saying that it was among the highest. So for those Members who felt that that Member was on a course that was correct, I'll send them a copy too.

The Member said that we have destroyed confidence in oil and gas in the Province of British Columbia. Mr. Speaker, I have to respond to that; I'll do it briefly. When they were in office, natural gas sold to the United States at 32 cents per 1,000 cubic feet.

**MR. CHABOT:** Conditions have changed.

**HON. MR. BARRETT:** Conditions have changed. Yes, that's right; it's a new government. (Laughter.) We don't give it away anymore, Mr. Speaker. We don't believe in their waste policies. As of November 1, the Americans will be paying \$1.60 per thousand cubic feet for natural gas. Now having corrected that, I am sure he will go to his constituents and say: "I was wrong in the Legislature when I said that the government wasn't getting enough out of the resources." They opposed the petroleum corporation, yet it was the petroleum corporation, which they argued and voted against, that has enabled us to give every single town in his constituency an additional \$25,000 flat payment. In some of the towns in his constituency it does more than increase the actual budget of that town by one-third — money that the towns and villages of this province never got before, never shared. It wasn't available for sharing.

**MR. ROLSTON:** It was \$450,000 in the Dewdney riding.

**HON. MR. BARRETT:** Yes, \$450,000 to your riding, Mr. Member. I wish you had not have said that because he will have to repeat that when he goes home, and I will mail him an autographed list of how much the towns in his riding are getting because this

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government has increased the revenue out of natural gas. Why doesn't he tell that part of the story? I think he was being political.

**MR. PHILLIPS:** I'll get you an autographed copy of the tax increases.

**HON. MR. BARRETT:** Mr. Speaker, I don't like to suggest that he was being political.

**AN HON MEMBER:** What kind of politics?

**HON. MR. BARRETT:** Political politics. (Laughter.)

**MR. SPEAKER:** Order, order!

**MR. CHABOT:** That's the worst kind. (Laughter.)

**HON. MR. BARRETT:** That's right because political politics include certain inaccuracies. Now out of this particular situation....

Interjections.

**HON. MR. BARRETT:** Oh, Mr. Speaker, how they chirp. They just sit there and yap — in a rut and everything else. I sat through that whole speech simply to prove that I am a masochist.

**AN HON. MEMBER:** A political clown.

**HON. MR. BARRETT:** It was simply to prove that. The only thing that suffered was my bladder, certainly not the question of the basis of facts.

**MR. WALLACE:** No permanent damage.

**HON. MR. BARRETT:** Thank you very much, doctor, I am very glad to hear that.

Now we go on to the statements made by the Member for Columbia River (Mr. Chabot). This additional 2 cents on gasoline tax will not be used to help pay the overrun on the Columbia River. It will not. It couldn't begin to even pay the interest on the overrun on the Columbia River. Therefore, Mr. Member, put your mind at rest; the overrun will not be affected.

Now the great plea was made by the Liberal Party — and I'll come back to some of the arguments by the Member for Columbia River — that it's not enough. The Liberal leader said to double the gasoline tax in the Province of British Columbia if we really meant it.

**MR. PHILLIPS:** Why can't you pay your bills?

**HON. MR. BARRETT:** Mr. Member, you conveniently forget the \$70 million surplus we had last year. You conveniently forget to tell the whole story. Now, Mr. Member, the Liberal Party ... you can't announce your policy before you go to the conference. Okay. I accept that you have great conference plans to announce policy this weekend. But, Mr. Member, your leader let the cat out of the bag. Before you said that you were going to keep it secret, he said: "Double the gasoline tax."

**MR. GIBSON:** I support my leader.

**HON. MR. BARRETT:** You support your leader. Well, you are one of the few. (Laughter.) I guess we are going to have to send a letter to all the residents in North Vancouver–Capilano and Victoria saying that the Liberal Party believes in doubling the gasoline tax in the Province of British Columbia. You've got enough problems without doing that. No wonder those three independents left! The Liberal policy is 34 cents a gallon of taxation for every car owner in this province. I thought they were in trouble, Mr. Speaker.

Interjections.

**HON. MR. BARRETT:** Oh, just the ones in North Vancouver–Capilano. Now you don't speak for any other car owners, but if that is what he espouses, I will ask the department to figure out a way to implement the policy, if that's what he represents — North Vancouver–Capilano, 34 cents a gallon because that's what he believes in. Selective.

**AN HON. MEMBER:** Coquitlam, next stop.

**HON. MR. BARRETT:** I don't advocate it for Coquitlam. I have been around a lot longer than you have, and I intend to stay. Thirty-four cents in North Vancouver–Capilano! And no buses.

**AN MEMBER:** At that, you'd need more buses.

**HON. MR. BARRETT:** Oh, more buses. What government brought in the bus service to the lower Fraser Valley, to Delta, to Coquitlam, to Haney, to Langley, to Surrey? I have never heard the Member for Langley (Mr. McClelland) once get up and complain about the extension of the bus services in his constituency. On the other hand,

Mr. Speaker, I have never heard him get up and praise it. They are on their way, and if you don't want them, just write me a letter.

Interjection.

**HON. MR. BARRETT:** Oh, Frank, that's the first time in three and a half weeks that we've heard a

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word from the Member for Boundary-Similkameen (Mr. Richter).

Interjection.

**HON. MR. BARRETT:** Oh, that's the second time. Third time, fourth time. Five?

Interjection.

**HON. MR. BARRETT:** Don't get upset, Mr. Member, we are not going to adopt the Liberal policy.

**AN HON. MEMBER:** Hear, hear!

**HON. MR. BARRETT:** No way! No way! The question of gasoline tax used in ICBC; we passed legislation on that already, allowing us the use of up to 10 cents. That already passed.

Interjection.

**HON. MR. BARRETT:** Well, it hasn't been necessary yet.

Interjection.

**HON. MR. BARRETT:** Well, because we're in the next year's revenue. As soon as it's necessary, then we'll provide it. It's there in legislation and it's available. So there it is, Mr. Member.

I wish I had a copy of that article from *The Toronto Star*. I hope that *The Vancouver Sun*, the *Vancouver Province*, the *Victoria Colonist* and the *Victoria Times* and all the newspapers in British Columbia reprint the article from *The Toronto Star* about car insurance costs, comparatively, between Ontario and British Columbia and gasoline tax costs in Ontario and British Columbia. In Ontario the gasoline tax is 19 cents. Ours is only going up to 17 cents. But as I recall the figures, the insurance on a Volkswagen in downtown Vancouver, a 1974 Volkswagen, was \$154. In Ontario it was two hundred and....

Interjection.

**HON. MR. BARRETT:** In Ontario it's 19 cents a gallon. Nineteen cents a gallon! So there it is. I hope that *The Vancouver Sun*, the *Vancouver Province* and all those newspapers will print how much it costs in Ontario.

**AN HON. MEMBER:** It's 10 cents in Alberta.

**HON. MR. BARRETT:** It's 10 cents in Alberta, that's true!. It's 10 cents in Alberta, 12 cents in Saskatchewan. They produce a lot of oil and they've used some of their additional oil revenues to lower gas tax. We didn't go that route. If you remember, I made a statement on that already. And we're still the third lowest. But we gave the money to the municipalities, Mr. Member. Oak Bay got some money, too.

**MR. WALLACE:** Not enough! (Laughter.)

**HON. MR. BARRETT:** Ohhh! If that is the most severe criticism this government can ever face, I think we'll do all right. Not enough for Oak Bay!

**MR. WALLACE:** That's why I'm here: to see we get enough in Oak Bay.

**HON. MR. BARRETT:** You're certainly doing a fine job, Mr. Member. This government has done more for Oak Bay than the previous administration, that's for sure.

**MR. WALLACE:** They didn't even try. They tried to get rid of me. (Laughter.)

**HON. MR. BARRETT:** That's right.

Now, Mr. Speaker, we have had a massive extension of public transit in the lower mainland. We have continued the good ferry services. We've continued the programmes of expansion to provide alternatives for transportation. We refused to build another crossing at the First Narrows in Vancouver. We refused to do that, because that's deliberate government policy to say: "If you want to sit in a car and breathe in someone else's fumes, go ahead; but if you want to sit in a comfortable bus, we'll make that available, too."

Now I want to just suggest to all the people in North Vancouver–Capilano and West Vancouver, including my mother-in-law: use the bus. It's available; it's scenic; it's safe. And this 2 cents will help you use the bus.

The last comment I want to make is related to the Member for Dewdney (Mr. Rolston) about the senior citizens of this province. Yes, we are subsidizing the bus services. And, yes, we give a \$5 bus pass to senior civil servants — senior citizens. (Laughter.) Senior civil servants, too, when they are retired. Surely, at the pensions they got under the former administration, they need all the help they can get.

But I want to tell you, Mr. Speaker, as long as we're here, I will tell every senior citizen that this government will fight to continue subsidized transit for them on the public transit system. There's no way we'll take away their bus passes, as outlined by Social Credit. No way! That's a subsidy, and those people will continue to have that subsidy, and they should remember that Social Credit threatens that subsidy.

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**MR. SMITH:** That's not true, and you know it.

**HON. MR. BARRETT:** Oh, that's not true, they say. You can't have it both ways, Mr. Speaker. You cannot come in this House and attack subsidy on public transit and say that senior citizens aren't affected. You can yell all you want over there, Mr. Member. But I have to tell the taxpayers exactly what you're going to do to senior citizens who are voters, who are residents, who are pioneers of this country and made all of this possible that we're enjoying. Down with the negative, carping critics! Up with positive busing services for all the people of this province, Mr. Speaker!

I now move second reading with confidence that our programmes will be welcomed by all the voters.

Motion approved on the following division:

YEAS — 26

|         |          |                   |
|---------|----------|-------------------|
| Barrett | Strachan | Nimsick           |
| Hartley | Calder   | Brown             |
| Sanford | D'Arcy   | Cummings          |
| Dent    | Gorst    | Skelly            |
| Lauk    | Radford  | Young             |
| Lea     | Cocke    | Williams,<br>R.A. |
| Lorimer | Levi     | Steves            |

Barnes Rolston Liden  
Lewis Kelly

NAYS — 13

|                   |            |                   |
|-------------------|------------|-------------------|
| Smith             | Phillips   | Chabot            |
| Richter           | McClelland | Curtis            |
| Morrison          | Schroeder  | Gibson            |
| Anderson,<br>D.A. | Wallace    | Williams,<br>L.A. |
| McGeer            |            |                   |

Bill 31, Gasoline Tax (1948) Amendment Act, 1975, read a second time and referred to Committee of the Whole House for consideration at the next sitting of the House after today.

Hon. Mr. Strachan moves adjournment of the House.

Motion approved.

The House adjourned at 1:02 p.m.

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