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Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)

TUESDAY, FEBRUARY 12, 1974

Afternoon Sitting

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TUESDAY, FEBRUARY 12, 1974

The House met at 2 p.m.

Prayers.

MR. R.H. McCLELLAND (Langley): Mr. Speaker, I'm sorry I missed them when they were coming in today, but I believe that up in the gallery somewhere there's a delegation of students from Trinity Western College in Fort Langley, along with their teacher, Mr. Andrews. I bid the House make them welcome, please.

MS. K. SANFORD (Comox): Mr. Speaker, it is my pleasure to introduce today classes from two schools in

the Comox riding: one from the Campbell River Senior Secondary School, with their teachers Joanne Bunting, Christine Round and Tony Akelaitis and also a group, a small group, from the Georges P. Vanier Senior Secondary School in Courtenay with their sponsor, Mr. Ray Skelly, who is the brother of the MLA from Alberni. I would like the House to join me in welcoming them.

MR. SPEAKER: I would like the House also to welcome the musical director of the Victoria Symphony Orchestra and Mrs. Gati, who are in the Members' gallery, and I'd point out to Members that the symphony is having its annual ball on Saturday and hope you'll attend.

Introduction of bills.

CROWN PROCEEDINGS ACT

Hon. Mr. Macdonald presents a message from His Honour the Lieutenant-Governor: a bill intituled *Crown Proceedings Act*.

Bill 6 introduced, read a first time and ordered to be placed on orders of the day for second reading at the next sitting of the House after today.

Oral questions.

PRESENT STATUS OF ROBERTS BANK RECREATIONAL RESERVE

MRS. P.J. JORDAN (North Okanagan): I first would like to welcome the Minister of Lands, Forests and Water Resources to the House for the question period. Then I would like to address a question to him, through you, in regard to the on-again off-again recreational reserve near Roberts Bank. Would the Minister please advise me, now that he's put it on again, how much of the 8,000-odd acres are within the reserve, and what is the zoning of that land today?

HON. R.A. WILLIAMS (Minister of Lands, Forests and Water Resources): I am pleased to confirm the order-in-council which went through Thursday last which corrected an error by staff in the Department of Lands, which exceeded the intent of government. So, in fact, the area that is taken out of reserve is essentially along the causeway to the Roberts Bank super port. I'm afraid one would have to check the maps which are readily available in the department to get the precise acreage. But I would say, roughly, it's 20 per cent of the former area.

MRS. JORDAN: Has the land been turned over to Hydro?

HON. R.A. WILLIAMS: No, Mr. Speaker.

B.C. TIMBER ADVERTISEMENTS IN FOREIGN NEWSPAPERS

MR. P.L. McGEER (Vancouver-Point Grey): Mr. Speaker, a question to the Minister of Lands, Forests and Water Resources. Has the Minister, or the provincial government, taken advertisements in Japanese and other foreign newspapers advertising for foreigners to bid for timber sales in British Columbia?

HON. R.A. WILLIAMS: The answer is yes.

MR. McGEER: Mr. Speaker, I'd like to ask the Minister if it's the policy of the provincial government to advertise British Columbia's natural resources for sale to foreign firms.

HON. R.A. WILLIAMS: I would have expected, Mr. Speaker, that the Hon. Member would have been in favour of competition, given his location in the House. It is in the interest of the people of British Columbia to see

that there is genuine competition for the resources of the province that the people own.

I might say in addition, however, that the tenure period which we are talking about in that instance is 12 years, at which time all capital would have to be written off with respect to that bid.

MR. McGEER: I'd like to ask the Minister if this means that British Columbians may be denied a profit on our resources while those profits go to foreigners. (Laughter.)

AUTO BODY SHOP NEGOTIATIONS

MR. H.A. CURTIS (Saanich and the Islands): Mr. Speaker, to the Minister of Transport and Communications, with respect to the chaos which appears to be emerging concerning the auto body shops: could the Minister report on the current state of negotiations with auto body shops for repair of

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automobiles and other vehicles?

HON. R.M. STRACHAN (Minister of Transport and Communications): I would say that the chaos is in the Member's mind, because it's still under negotiation. There was a meeting this morning, as a matter of fact.

MR. CURTIS: Can you report on it? That was the question.

HON. MR. STRACHAN: It's still under negotiation.

MR. CURTIS: A supplementary, Mr. Speaker. How will damaged vehicles be repaired after March 1 if the negotiations prove unsuccessful and no settlement or agreement is reached?

MR. SPEAKER: That would be anticipating, rather than a question of present policy.

MR. CURTIS: Mr. Speaker, a supplementary: does the Minister have any contingency plans for after March 1?

HON. MR. STRACHAN: I don't answer iffy questions.

LOSS OF LANGUAGE SKILLS IN BRITISH COLUMBIA SCHOOLS

MR. D.A. ANDERSON (Victoria): Mr. Speaker, a question to the Minister of Education. In the light of the released report from the Department of Education, Victoria, that the loss of language skills in British Columbia.... I quote the report: "The average has confirmed the worst predictions that have been made." That's with respect to language ability. May I ask what special programmes the Minister might have undertaken in this regard so that the B.C. school system's relative falling behind the American system can be overcome?

HON. E.E. DAILLY (Minister of Education): I haven't had time to read the report. Before I've read it in detail, and discussed it in detail with the officials in the department, I'm not prepared to comment on what steps will be taken. If there are going to be steps taken, I will certainly inform the House.

MR. D.A. ANDERSON: Mr. Speaker, a supplementary. This report is dated June, 1973, and if the Minister is not reading reports, may I ask who in her department should we see to discuss reports that have come in some months before, which apparently have neither reached the Minister's desk, nor been acted upon?

HON. MRS. DAILLY: The report has reached my desk and I've looked through the report, but not in the detail in which I would like to. Frankly, I am always very careful about just accepting reports. Even though the report was done through our own department, there are many questions I'd like to ask about it.

I want to have clear in my mind what students were tested and how they made the comparison with the United States. These questions have not yet been answered.

MR. D.A. ANDERSON: Mr. Speaker, I'd just like to recommend paragraphs 3 or 4, which answer those questions.

MR. SPEAKER: It's not time for speaking.

OMISSIONS IN BUDGET RESOURCE MAP

MR. J.R. CHABOT (Columbia River): A question to the Minister of Finance. On examination of the budget, on page 9, there's a map indicating various resource areas of the province. I notice the omission of the largest and only coal-producing area in the province, the Fernie area. (Laughter.) There are other ore bodies shown as well. Also, another omission is the largest amount of lead and zinc produced in the Commonwealth in Kimberley.

The people of the southeastern part of British Columbia are annoyed at this kind of oversight by the government. I'm wondering whether the Minister is going to reprint that page of the budget.

HON. D. BARRETT (Premier): Mr. Speaker, considering the criticism of the former administration to "get the lead out," we've done just exactly that.

CHANGING TAX STRUCTURES FOR MINING, LOGGING COMPANIES

MR. G.S. WALLACE (Oak Bay): Mr. Speaker, could I ask the Minister of Finance, in the light of interviews which he has given subsequent to yesterday's presentation of the budget, that he explain clearly to the House that there is, in fact, pending legislation which will change tax structures in this province in relation to mining royalties and logging tax? If so, is it not unusual that the budget should be presented devoid of these details!

HON. MR. BARRETT: Legislation has not passed this House, Mr. Speaker. The legislation is proposed and it's been discussed for months, and it was announced months ago that the legislation would be brought into this House. I can just hear the opposition cries if we predicted that it was going to pass this House. This is still a democratic institution,

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Mr. Member.

MR. WALLACE: Supplementary. That's rather a facile answer, in my view, Mr. Speaker. The fact is that we're here to discuss the revenues and expenditures of the province. Could I say to the Minister of Finance, in fact, that part of the 40 per cent increase in resource revenue relates to certain sums of money which are still to be raised under a formula which we don't know about and can't discuss at this time while we're discussing the budget?

HON. MR. BARRETT: Mr. Speaker, I think that the question is more appropriate in detailing the estimates. But I want to point out to the Member that it's been a matter of some public discussion since our election to office, and certainly since last fall, that new royalty legislation would be introduced. Now, that legislation will be introduced this session, and I hope that every Member of the House will participate in that debate. Once the legislation is passed, and if it's passed in the terms of the way the government wants it passed — hopes it gets passed — then we'll be able to estimate what revenue will come from it.

MR. SPEAKER: I point out to Hon. Members that legislation which is proposed should not be discussed in the House before it's laid on the table by Members of the House, as is sought in this question.

PROGRESS OF AUTOPLAN APPLICATIONS

MR. CURTIS: To the Minister of Transport and Communications. Is the Minister now receiving daily or every other day reports on the number of Autoplan applications for insurance which have been processed? If so, is there any possibility that the number to be processed in the remaining two weeks is capable of being handled by the administration?

HON. MR. STRACHAN: Well, as I said last week....

MR. CURTIS: I'm not talking about last week; I'm talking about this week, right now.

HON. MR. STRACHAN: I have no indication that the 1,000 agencies throughout the province will not be able to handle the job that was done by 80 agencies in the past.

MR. CURTIS: Mr. Speaker, supplementary. Do you have any contingency plans in the event that that is not capable of being achieved?

HON. MR. STRACHAN: You are asking an iffy question again; and I will not answer iffy, iffy, iffy questions.

MR. CURTIS: Mr. Speaker, with respect, that is not an iffy question. I'm asking if the responsible Minister of the Crown has a contingency plan. Surely that is an acceptable question.

MR. SPEAKER: I point out to Hon. Members that in *Beauchesne* at page 148 it says: "...shall not seek information about matters that in nature are secret, or decisions which are to be given, in the way of advice to the Crown by its officers." At this stage, it's still a question that is in the future, unless you are talking about a present policy.

Interjection.

MR. SPEAKER: Well, I can't help what he answered last week.

MR. CURTIS: Mr. Speaker, I accept your ruling with exception of: is there a contingency plan? Not what is it.

MR. SPEAKER: Well, then you are talking about a present matter.

MR. CURTIS: Is there a contingency plan? It seems to me to be a very straightforward and fair question, Mr. Speaker, with respect.

MR. SPEAKER: On that point, I agree with you.

EMPLOYMENT OF WOMEN IN LCB

MR. McCLELLAND: I'd like to address my question to the Attorney-General, please. I'd like to ask him, now that — thanks to our urging on this side of the House — the Factories Act has been amended, how many women have been hired in the retail stores of the Liquor Control Board up to date. If there are none, when do you plan to change those regulations so that we can have women equally employed with men in this province?

HON. A.B. MACDONALD (Attorney-General): Mr. Speaker, the question of the exact numbers is a question on the order paper. I might say that we're proceeding with — and you wouldn't think this would be necessary, but it still seems to be — duplicate facilities, lavatory facilities, in the various stores, because that's still a requirement of law.

Interjection.

HON. MR. MACDONALD: Yes, I don't think it is necessary. It shouldn't be necessary, but that's one of the

things in the works in terms of equal

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employment. I've met with the Director of Human Rights on the subject, so this won't be neglected. At the same time, we don't want existing people to lose their jobs or their job security, but we're going to see that those positions, wherever possible, are opened up on a completely free basis without any discrimination in the Liquor Control Board system.

MONEY FOR DELINQUENCY PROGRAMME

MR. D.A. ANDERSON: Mr. Speaker, may I ask the Attorney-General whether public moneys are still being expended on a programme — and I quote Dr. Matheson of his department: "The behaviour-modification programme of juveniles with potential delinquency tendencies"...who are evidently to be chosen by computer, according to a speech delivered last week by Dr. Matheson?

HON. MR. MACDONALD: I haven't seen the speech or the report, but there'll be no computerization of individuals as long as I'm Attorney-General.

MR. D.A. ANDERSON: May I follow that question then with a question to the Minister asking whether or not we will continue studies in behavioural modification of people who have committed no crime, but people whom apparently computers or experts, perhaps social workers, feel may have potential delinquent tendencies?

HON. MR. MACDONALD: I've never even heard of such a study, but if there is one I'll look it up; but we have no such plans.

SAFETY STICKERS FOR GOVERNMENT VEHICLES

MR. N.R. MORRISON (Victoria): I'd like to address my question to the Minister of Transport, and ask him if he can answer today the question which I asked him a few days ago concerning a new policy on safety stickers for government vehicles. I have not yet had an answer on that one.

HON. MR. STRACHAN: I haven't got the answer yet. Unfortunately, or fortunately, that was the day the House closed and I wrote the number down, but it was locked in my desk. I hope the Member will make a very careful study of every vehicle in Victoria and let me know of any vehicle he finds, government or otherwise, that doesn't have the proper sticker. Since you accepted that as a public responsibility, I would suggest that you do that; help us out.

DELIVERY OF WOOD CHIPS TO PULP MILLS

MR. CHABOT: To the Minister of Lands, Forests and Water Resources, again on behalf of that forgotten part of the province, the east Kootenays. In view of the government's takeover of Kootenay Forest Products — no doubt to avoid Nelson becoming a ghost town — I'm wondering, now that they've taken it over, whether they will allow some chips to be directed to the Crestbrook Pulp Mill at Skookumchuck, or will all the chips be directed to Col-Cel, or Can-Cel or B.C.-Cel, at Castlegar, because we need jobs in the east Kootenays.

HON. R.A. WILLIAMS: I believe, Mr. Speaker, that there's a current contract between Kootenay Forest Products and Canadian Cellulose at Castlegar, but I would note that I just now left a meeting with Crestbrook Forest Industries, working out questions of the expansion potential in the east Kootenay region itself. So we're seriously involved in discussions with Crestbrook with respect to the plant at Skookumchuck.

Orders of the day

ON THE BUDGET

MR. W.R. BENNETT (Leader of the Opposition): Mr. Speaker, I'd like to rise to take my place in the debate, give my congratulations to the Premier and Minister of Finance on an excellent presentation, as he always gives in this House, in presenting his budget. It must discourage him to see editorials like this in *The Province*, where it says: "Budget is Work of Pure Fiction." I know how deeply he feels because I've known people in similar circumstances earlier, with similar budgets — similar types.

It was referred to as a "Robin Hood" budget, and certainly we expected more. It was much ballyhooed as a Robin Hood budget, and we expected to get some pronouncement that the Minister of Lands, Forests and Water Resources (Hon. R.A. Williams) had expropriated a major milling complex in Sherwood Forest, and that the Premier, when he aimed his bow, made industry quiver. (Laughter.)

Nonetheless, we have difficulty in relating this budget to having received the bulk of its revenues from resources, because in going through the estimates of receipts we find that most of the taxes still come from people — property taxes, fuel taxes, personal income taxes, succession taxes, sales taxes, contributions from other governments which come from taxes, contributions from government enterprises — we know people pay those — and in reality only 20 per cent of this budget is coming from the resource industries directly in the way of privileges, licences, natural resources and royalties. So I don't think that this can necessarily be called a Robin Hood budget, or a resource budget, or a

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share-the-wealth budget. What it is is a very big budget reflecting the economy of British Columbia.

MR. J.R. CHABOT (Columbia River): Some Robin. Some hood!

MR. BENNETT: Now, in analyzing this budget, Mr. Speaker, we must relate it to the rest of the world. And realizing that British Columbia is not an economic island unto itself, we must understand that our economy is based primarily on the export of forest products and mineral production. Our principal markets, Mr. Speaker, are the United States, Japan, and Great Britain with the European Common Market. Of our export products in wood, 60 per cent goes to the United States. Japan receives 17 per cent, and the European Common Market, 16 per cent.

What are the realities of basing our budget on those three main marketing areas in this coming fiscal year? Because the budget should recognize that outside British Columbia the capacity of these markets to buy our goods is severely hampered this year by an economy in turmoil — economies in turmoil due to economic warfare from the Arabian oil embargo and the economic disarray in Great Britain, the political instability of the United States and the loss of Japanese purchasing power due to a high inflation rate, higher even than British Columbia's, at 23 per cent.

Now, we are not being alarmist or doom-and-gloom spreaders, as I heard referred to in the budget yesterday, but rather realistic and prudent to face the facts of the market we sell to and on which we base our economy because that's what responsible budgeting is all about. And the bulk of our exports being represented by wood products, Mr. Speaker, ignoring Japan and the European Common Market, it must be less than realistic to expect the United States market with less than 1.5 million housing starts, the lowest in 10 years, to provide the resource revenues stated in this budget.

It is apparent also that although the legislation has not been presented — and it was brought up earlier that we are discussing revenues for which there is no formula or no bill presented to this Legislature — it is suggested that the government may be imposing higher taxes. This is the only way those revenue expectations which the Minister of Finance (Hon. Mr. Barrett) budgets for can possibly be met.

In this coming year when the working men of this province seek higher wages in the forest industry in order to keep pace with inflation, as indeed they should and indeed they must, Mr. Speaker, will not the government become a competitor with them for those available dollars with the lower price of wood products? Lumber alone has already drastically dropped from last year's average prices. With many small operators already facing difficulties,

can they afford, and can the economy afford this confrontation between the government and the wage earners in the forest industry for these few declining dollars? All British Columbians will be watching, as not only are the wages of the workers of the province at stake, but so must also be the social service programmes which this government has an obligation to provide.

In analyzing the budget further, Mr. Speaker, we must review the 1973-1974 budget, both in estimates and in revenue. In light of the 25 per cent increase in actual revenue for the first three-quarters of last fiscal year, which the Premier pointed out in this budget report, it made last year's budget an irrelevant document. It should have been immediately clear to this Minister of Finance as the money rolls in — and I know that the money report is daily on the revenues of the province — that he badly underestimated the revenues of this province. And his responsibility in realizing that the biggest underestimate of revenue that this province has ever seen, and we've seen many underestimates, Mr. Speaker...

AN HON. MEMBER: Big ones.

MR. BENNETT: ...was to allocate these funds in a mini-budget in the fall sitting of the Legislature.

Interjection.

MR. BENNETT: That's right. These funds should have been allocated in the fall session of the Legislature in a mini-budget because at that time this government was aware of a crisis in housing.

AN HON. MEMBER: Hear, hear!

MR. BENNETT: This government was aware; it created a new Ministry of Housing. The Premier was sitting on those surplus funds. Why could not the housing crisis have been dealt with at the fall session? Why couldn't these funds have been brought down in a responsible manner in a mini-budget?

Further, Mr. Speaker, with this fantastic surplus build-up from these underestimated funds, why could not the pensioners of this province have had their Mincome cheques supplemented at that time from the erosion of inflation, rather than sitting on these funds to present a grand and a glorious surplus here at the spring session?

Why should they not have allocated in a mini-budget at the fall session, with these tremendous surpluses, funds to intermediate care, as recommended by an all-party legislative committee in the spring session of the Legislature? Even now in this budget after the tremendous surpluses already in hand, we see only \$1 million allocated for intermediate care in this province. How could a

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Minister of Finance, who claims to be concerned about people, sit on mounting surpluses day after day through the fall session, recognizing the housing crisis, recognizing the erosion of purchasing power of people on limited means? It's incredible, and it's disgraceful, Mr. Speaker.

Could not these new record surpluses, these windfall tax profits from a booming world economy, be used also to give notice to the school trustees at that time that some initiative could have been taken to reduce class size? And even now in this budget, Mr. Speaker, reduction of class size is but a pious hope, an aside to the budget.

I might point out, Mr. Speaker, that last year's budget with these record revenues was achieved with resource taxation of long standing, with the exception of a brief period of stumpage increase in the Interior of B.C., which was removed when the market fell, and an economic base of the private and public sector created before this government came to office. No amount of rhetoric or presentation in this Legislature can hide that fact, Mr. Minister of Finance.

For example, the forest industry estimates of \$90 million, made in the spring budget of last year, will turn out to be closer to \$230 million or \$240 million at the completion of this fiscal year. It had already reached \$176 million by December 31, as reported in the budget. The idle surplus money which the Minister of Finance sat on all during

the fall session and all during the holiday season, right up to this spring session, Mr. Speaker, is where that money came from. And the rest of the taxation rates, as the Minister of Finance has said, continues to be among the lowest in all of Canada.

Now, the budget at hand, Mr. Speaker, continues an alarming trend away from service to people, which became apparent in this government's first budget. The policy thrust of government, Mr. Minister of Finance, can only be measured by the percentage allocations of budgets. These set out the priorities of budgets. Not figure amounts, but the percentage of the budget-of-the-day allocated to those measures. And what does the record show?

Compare the 1972-73 budget of the former government with both the 1973-74 budget and 1974-75 budgets of this Minister of Finance, and in the category that this government and this Minister chooses to make out to be the measure of their policy priorities, with social improvements and expenditures which are the combination of health, education and human resources. And let's combine them. In 1972-73 these expenditures totalled 73.7 per cent of the provincial budget. And the government that asks for this comparison, what was its first budget combining these services to people? Why, only 66 per cent, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. BENNETT: Even in making a major comeback with all the surpluses they sat on last year, without providing services to people, it is only 68.5 per cent in this proposed budget, the 1974-75 budget, Mr. Speaker. There's the comparison in terms set down by this Minister of Finance as to how he wants to be judged in the public eye.

This government also fails in another area of their own choosing, the area of education. In 1972, this party that is the government today made education a priority in their election campaign on the expenditure and the amount of expenditure from this Legislature of public funds towards that purpose. Let's compare their record, as they ask us to do.

In 1972-73, the expenditure in education was 30.37 per cent of the budget. But what happened in 1973-74 when this party dedicated to education came to power? Why, the percentage dropped to 28.31 per cent, Mr. Speaker. But now in 1974-75, with record surpluses, the percentage of the total budget as presented by the Minister of Finance (Hon. Mr. Barrett) is 25.48 per cent — a clear indication of the thrust and a clear indication of where this party wishes to show its thrust in government. No wonder the trustees are concerned, Mr. Speaker; no wonder the teachers who supported this party are bewildered.

Interjection.

MR. BENNETT: And no wonder the public just doesn't believe you any more. That's right — let's count all the housing units.

Now the lift in education this year, Mr. Speaker, is barely 13 per cent. Taken with an inflation factor and a population increase, that will barely maintain even last year's level of spending in education. Now this government has had the benefits of recommendations of an all-party committee of this Legislature with respect to health care needs. It also has had the benefit of an expensive task force, headed by Dr. Foulkes. Yet with these record surpluses, the serious staff deficiency at Pearson Hospital still continues, with zero growth in employment. The recommendations for intermediate care received but a token \$1 million in this budget, Mr. Speaker. And the community mental health centres have been given no funds for expansion. The payments to hospitals leave no room for any new programmes or innovations, but are simply a reflection again of population growth inflation factors. Is this a budget for people, improved programmes for people, resource money being used for people?

Now, Mr. Speaker, I've looked in vain through the detailed estimates incorporated in this budget and accompanying this budget, and nowhere — not in the Highways department, not in the Forestry department, not in the Transport and Communications department — can I find anywhere

where the government has provided money to insure its own vehicles with ICBC. Nowhere, Mr. Speaker.

But I do note in vote 102 that we still seem to be self-insured, as we always were, because there's \$125,000 expenditure for vehicle damage claims. As we know, this was the basis for the famous discovery of \$23.85 car insurance from the Minister of Public Works (Hon. Mr. Hartley) and on which a party based an election programme and committed this province to millions and millions of dollars expenditure in setting up ICBC. Nowhere in the detailed estimates of this budget, Mr. Speaker, is there any evidence that this government, who compels everyone else through this monopoly to insure their vehicles through ICBC, will do the same with the vehicles of the Province of British Columbia — because they know full well that they can't get cheaper automobile insurance from their own creation.

I wonder, Mr. Speaker, if this is an example to inspire confidence in the public. Or are they waiting for further rate adjustments from the Premier before they buy insurance for the government vehicles, because they don't want to be penalized like so many British Columbians who took the heed of this government, bought their insurance early and watched the rates reduced for everyone else? Are they waiting for the scientific and actuarial rate adjustments that the Minister of Finance brings down momentarily and daily? Some example for the people of British Columbia; some example of how you base a whole expenditure of public money, and then don't follow through with your own government vehicles.

I take issue with the Minister of Finance, Mr. Speaker, that there will be no increase in tax rates for citizens. I'd like to talk about hidden tax increases. There is the increase in the price of natural gas; to the citizens of British Columbia a price increase and a tax increase still cost the same. These price increases are a result of the B.C. Petroleum Corporation's genuine effort to receive more money from our resources and our gas export, and I commend the government for it. But I see no reason why, when we talk about equalizing resource rates or energy rates to Canadians in the east, we can't do it in British Columbia. When we use this mechanism to get a higher price for export, we shouldn't pass these rate increases along to our citizens, or we should devise a scheme so that we can give them a rebate.

I have a suggestion for the Minister of Finance and the Attorney-General. It protects both the Hydro and the consumer, and yet it maintains the government revenues: why doesn't the Minister of Finance remove the 5 per cent sales tax from the gas and Hydro bills of this province? Give the people a dividend from the windfall profit from the gas.

I offer this suggestion in all sincerity, because I believe that although Hydro is just announcing its increases, with this surplus money and with the extra cost to Hydro, if it passes it all along to consumers, as Inland Gas is doing, we can pass a rebate to the consumer through the removal of the 5 per cent sales tax.

The per capita grant increase to municipalities, Mr. Speaker, being less than the inflationary rise, can barely cover an increase in property taxes. It means, because it's less than the inflationary rise in cost, that the municipalities will have to raise taxes to cover the difference, and there will be a hidden tax there.

There'll be a raise in property taxes, too, Mr. Speaker, because of the assessment policies of this government. Despite the Premier's statement, the chief assessor of this province has stated that many people in British Columbia will face extreme assessment increases.

Another major hidden tax increase is the acceleration of liquor prices through the government taking mark-up upon mark-up of price increase and price increase. These increases are daily. Don't try and tell the consumer that that's not a tax increase to people. Don't try to tell any small prospector he hasn't had an increase in taxation either, Mr. Speaker.

MR. D.M. PHILLIPS (South Peace River): Drunken power! Drunken power!

MR. BENNETT: Now, Mr. Speaker, there's some very worthwhile programmes included in this budget which I should comment on at this time. The increase from \$5 million to \$10 million for senior citizens' housing is very worthwhile and is a programme encompassing local initiative, and that's a very good reason why it works so

well. The increase of \$80 in the senior citizens' renter grants will be most welcome for our pioneers.

The removal of the 5 per cent sales tax from books and secondhand clothing is to be commended, Mr. Speaker. While we're dealing with the 5 per cent sales tax, Mr. Speaker, I might also suggest that we could further reduce the price of housing in this province by taking, as I said before, the 5 per cent sales tax off building materials for home purposes and home construction in this province.

The reduction of the municipal share of welfare costs from 50 to 10 per cent is a favourable step in removing the burden from local governments. The relief of administration of justice from municipal governments is also commendable. The assumption of increasing their share from 45 to 50 per cent of the flood control costs in the lower mainland is also commendable.

While the Premier took credit yesterday, I must also echo the same praise he gave himself for this government in spending the public money on these benefits. They're all worthwhile.

MR. PHILLIPS: The federal programme has been

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in there for ages. He thought it was brand new!

MR. SPEAKER: Order, please! Are you speaking now or later? (Laughter.)

MR. BENNETT: I've already discussed the impact of this budget on education generally, Mr. Speaker, and I would now like to turn specifically to the question of class sizes in British Columbia. It's not difficult now to understand why the Premier was so petulant last week when he was faced with the motion of disapproval from our party on the actions of the government in respect to education.

In this budget we have a most alarming development. The Minister of Finance in effect asked his Minister of Education to approach the question of class size on an ad hoc basis. He suggested, and he's quoted in the *Vancouver Province* this morning as saying, "This will be on a case-by-case basis and a board-by-board basis."

Mr. Speaker, this destroys the entire idea of equalization in educational policy in British Columbia. It destroys the idea that the Department of Education is responsible for establishing clear-cut, well-defined policies between the Department of Education and local school boards, and the very idea of a board-by-board approach is very shocking.

AN HON. MEMBER: Political payola.

MR. BENNETT: And it could lead to political manoeuvring of the worst possible kind. As it is done with the ICBC muddle, we will have a system of relationship between the Department of Education and local school boards which will rest on press conferences and special deals made between the department and one board and not another.

What philosophical purpose in education can such a policy serve, Mr. Speaker? Why, if the reduction of class size is so important and is a fundamental issue, are we to have an admission from the government that there is no offer of policy direction to come from that department? Instead, presumably, we are to have a bits-and-pieces approach. We are to have an invitation from the Minister to approach the department on a cap-in-hand basis. Of all the things said about the education policy direction of this government, nothing could be more severely criticized than this case-by-case, board-by-board approach to solving of class size.

It is an exceedingly dangerous concept, Mr. Minister. It is introducing purely ad hocism into politics, into department and local school board relationships, and this ad hoc approach to the reduction of classroom size is totally unacceptable to our party and, I believe, to all citizens of this province, and, I believe, to most Members of this Legislature.

I am sure it will be unacceptable to the dedicated school trustees who must face this issue on a day-by-day basis at the local level.

As you have done in recent months, Mr. Premier, I believe you're asking for trouble. You are putting your Minister in a completely intolerable position by asking him to make decisions on a momentary and singular basis without clear-cut policies.

MR. CHABOT: Squeaky wheels.

MR. PHILLIPS: Political payola.

MR. BENNETT: Perhaps the most serious responsibility which falls upon the Minister of Finance (Hon. Mr. Barrett), Mr. Speaker, is to ensure that his budget thrusts provide a base for the guarantee that the continuing programmes offered to the people can be sustained by future governments and by future legislators. This responsibility must bear very heavily upon this Minister of Finance in terms of British Columbia's relationship to the rest of the world.

This responsibility bears particularly heavily on governments in an inflationary spiral. Governments themselves are mainly the root cause of inflation, and this government has helped to develop an inflationary spiral and an inflationary psychology in this province with remarkable determination and deliberation, Mr. Speaker.

The stage has been set early when under the dome of this Legislature itself excessive salaries for Ministers were passed. And, Mr. Speaker, this has set a psychological standard for inflation in this province.

Now, without getting any recognition to the inflation factor, the cost of programmes in British Columbia in the future, Mr. Speaker — assuming only a 10 per cent increase a year — presents an overwhelming net responsibility on the shoulders of this government today in developing an economy to continue these programmes tomorrow. Education, compounded at a 10 per cent rate, in five years will go from just maintaining the low levels of today — from \$567 million to \$828 million. Hospital care will go from \$360 million to \$521 million. Social services, with a compounded rise, will go from \$284 million to \$421 million. And so it goes, Mr. Speaker.

The responsibility of government is to provide incentives to industries and initiatives to their people, to provide the industrial complexes, and to provide the tax base to ensure that governments following them take over with surpluses and take over with tax base generating taxes that will pay not only for the existing programmes of social benefits, but will allow those governments to make their contribution towards social improvements for their people. This is a basic responsibility of governments.

Mr. Speaker, it's impossible to truly assess this

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budget because of the absence of the tax bills which we mentioned earlier, which will account for a major part of the revenue that deals with resources, and which have been prominently mentioned throughout this budget, both in the prepared text and in the general remarks of the Minister of Finance (Hon. Mr. Barrett) during its presentation. And I regret that a tradition of courtesy to MLAs by having bills tabled with the budget as part of the financial package has been discontinued, and that these limits have been placed on this debate. Not only should we be able to discuss in detail the spending of this government, but how the taxes are raised and in detail the programmes by which they are raised.

Mr. Speaker, I spoke at length about housing — the crisis and solutions — during the throne debate. And to date the Minister of Housing (Hon. Mr. Nicolson), who is not in the House at the moment, has not produced, and the people of British Columbia after all these months despair. I largely anticipate, with the money set aside with this budget, that specific proposals, no matter how late, will finally come to this House, and that some activity, which could have been initiated any time in the last eight months — particularly in the fall — will finally be initiated to solve the shelter problems of this province.

Mr. Speaker, I've tried to examine this budget in terms of whether or not it meets the test of financial understanding and financial responsible management. We've come to the conclusion that the evidence of failure in this regard runs through this budget from page 1 to page 32.

I have noted that there are some welcome programmes in this budget which we will support, but the document itself is totally irrelevant in terms of the national and world economies and as to the actual amount of moneys to be collected and expended.

The budget clearly spells out a downtrend on the percentage basis in the service level to people, particularly in education. And the budget for universities makes a mockery of the concern expressed by the Premier during his budget address for the 12 per cent-odd persons in British Columbia who move on to university education. There is no room in this budget for university innovations, and there is no room in this budget to maintain the level of capital expenditures at the universities.

The budget emphasizes a desire to get more taxation from the resource sector, but nowhere has this House any opportunity to know those tax policies which will result in the revenues contained in this budget address. Therefore the continuing uncertainty, Mr. Speaker, in both the forestry and the mineral sector of our economy is irresponsibly being permitted to continue.

These tax uncertainties in this province are the root cause for the almost total disappearance of new capital initiatives in either the forest industry or the mineral industry.

British Columbia cannot have a Minister of Finance going around talking about a Robin Hood budget and stealing from industry, and expect responsible people — citizens and other Canadians alike — to invest their money in industrial initiatives and manufacturing initiatives in this-province.

This is not a budget which anchors British Columbia to a responsible financial foundation. It is not a budget with which private investment can be encouraged. This is a budget on which we express mounting concern for the guarantee that the people living in such a rich province as British Columbia can manage their affairs so that the programmes in the social service field can be both innovated and expanded.

It should now be obvious, Mr. Speaker, that while we support, as I've said, many aspects of this budget, we cannot support it as a responsible budgetary package.

MR. P.L. McGEER (Vancouver-Point Grey): Mr. Speaker....

AN HON. MEMBER: Yes, Mr. Leader.

AN HON. MEMBER: Gibson for leader!

MR. McGEER: May I start, Mr. Speaker, by congratulating the new Member of this House (Mr. Gibson), who will officially be taking his seat in a few days. I want to say what a particular pleasure it is for me, personally, because when I first came to the House it was my great privilege to sit next to that new Member's father. He was recognized as the "bull of the woods," the man who pursued corruption in government relentlessly. He told a story one day in the House, I recall, about growing up on the west coast of Vancouver Island; he said how rough it was in that west coast town. He said, Mr. Speaker: "It was so rough in that town that I was considered a gentleman."

HON. D. BARRETT (Premier): That's pretty rough.

MR. McGEER: But he was, really, a gentleman in every sense of the word. One of the great things that has come of that is that he sent another real gentleman to this House, and we look forward to the new Member for great things.

That's not to downgrade in any way the other excellent candidates in that campaign. We had another fine Liberal candidate (Mr. Andrews) running for Social Credit, and he did very well too. I hope, Mr. Speaker, that there

will continue to be better news from the hospital where he is today. I'm sure the wear and tear of the campaign had a telling effect

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on his health.

Mr. Speaker, we had an interesting presentation from the Premier on budget day and a very interesting reply to the budget by the new Leader of the Opposition. We haven't had many opportunities to compare his performance with past performances in the House. With the Premier, of course, we have, and, Mr. Speaker, I thought the Premier was having a bit of an off-day. I thought so.

MR. BENNETT: I thought it was one of his better days. (Laughter.)

MR. McGEER: Oh, he'll have his good days and his bad days. I thought maybe that it was because we didn't have the television cameras. I notice the Premier is always better on television days. I suppose in some ways the opposition should apologize for catching the government unprepared with its legislation, unprepared with its budget, so that we had to recess the House for a few days while it gathered its programme together.

HON. MR. BARRETT: Well, you were unprepared to speak.

MR. McGEER: Well, Mr. Speaker, there wasn't anything to talk about in that throne speech. It was without question the emptiest throne speech that's ever been presented in this House and, I think, we're likely to have.

Personally, Mr. Speaker, I see no point at all to the throne debate. If they can wrap it up in the House of Parliament in a matter of eight days, we can dispense with that throne debate in a matter of two days; and if we have another throne speech like that, I'd say we could dispense with it in two hours. Seriously, I suggest to the Premier, Mr. Speaker, that we just dispense with those kinds of throne debates. Unless he wants to put something in his throne speech, let's get rid of it altogether.

Interjections.

MR. PHILLIPS: The House is back in session.

MR. McGEER: I always like the way the budgets are put together. There are these beautiful pictures. I notice a picture of the Legislative Assembly taken during the throne debate. (Laughter.) It really reflected, I think, the content of the speech.

AN HON. MEMBER: The one with the monkey climbing the wall; that's the cabinet.

MR. McGEER: There was a wonderful picture of the cabinet on page 12 — if you look at the budget debate — in bold relief. It was in one of their think sessions, Mr. Speaker.

Interjection.

MR. McGEER: Yes, I noticed that. I see here, right in the centre underneath the Premier, the Minister of Industrial Development (Hon. Mr. Lauk). (Laughter.) You'll notice how he's tongue-tied. And there's a very nice matching piece up on top there with the Minister of Human Resources (Hon. Mr. Levi) and the Minister of Travel Industry (Hon. Mr. Hall) getting together again.

I don't know what to make of this picture on page 16. It looks like the Minister of Consumer Affairs (Hon. Ms. Young), on the day it was announced she would get a full portfolio doing a jig in the Attorney-General's costume.

The thing that really caught my eye, though, wasn't a picture at all. It was a small item entered on page 27 of the budget under liabilities. Line 17 says: "Members of the Legislative Assembly." And we're listed as a liability at

over \$1 million. I think that perhaps the budget has been a little conservative in that particular entry.

Mr. Speaker, we had on Monday the second Bennett/Barrett budget.

Interjection.

MR. McGEER: Why do I say that, and why does the Member say, "Here we go again."?

AN HON. MEMBER: It's the same speech we had last year.

MR. McGEER: Well, Mr. Speaker, it was exactly the same kind of budget.

AN HON. MEMBER: No, it wasn't.

MR. McGEER: Only worse, though.

Interjections.

MR. McGEER: The Member says I haven't got my figures right. Mr. Speaker, a year ago I said I would be \$100 million closer than the Premier in estimates of revenue. That has certainly borne true. And I say today without any hesitation that in this budget I am \$250 million closer than the Premier to what the actual revenues of the province will be. I'll buy the Premier and the Leader of the Opposition a dinner if that prediction doesn't come true.

HON. MR. BARRETT: I'm on a diet.

MR. McGEER: But you put the public of British Columbia on a diet, taking their tax money and

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fooling them with your budget. That was the characteristic of the budget of the former Minister of Finance (Hon. Mr. Bennett). It was referred to in a very gentle way by the present Leader of the Opposition (Mr. Bennett) because he recognized — and after all he had some inside information, I would think, about the style and the thinking of those former budgets.

Interjections.

MR. McGEER: Well, because I think I should explain that to the Premier.

Interjection.

MR. McGEER: Mr. Speaker, the leader of the Liberal Party (Mr. D.A. Anderson) quite wisely took seriously the Premier of British Columbia's advice. Do you remember — and I know you do, Mr. Speaker — the promise that the Premier made that he would not be the Minister of Finance in British Columbia?

HON. MR. BARRETT: I didn't say....

MR. McGEER: And how the people wish that he had kept that promise.

HON. MR. BARRETT: I didn't say he had to stop being Liberal leader, that's for sure.

MR. McGEER: You know, the Premier told us, when he appeared a year ago in the House, that he was going to be honest with the people about this budget. I'm not going to call the Premier a liar because that's unparliamentary, and one Hon. Member doesn't call another Hon. Member a liar. But I do say this: the Premier makes Baron Munchausen seem like a statistician. (Laughter.)

Interjection.

MR. McGEER: I agree with the Leader of the Opposition that the Premier should have brought down a mini-budget in the fall. He refused to answer any questions of the Members of this House when it was perfectly obvious that he was deceiving the people of British Columbia about the true state of revenues. He wouldn't even answer questions of the Members as to how much money the province was getting.

But I'll say how much the province is getting, Mr. Speaker. It's taking in tax money at the rate of \$6 million a day, \$42 million a week, \$200 million a month, and \$2.4 billion a year. Let no one be deceived as to where that money is coming from. Let the myth go that the large corporations and resource royalties are carrying the burden of taxation. It's coming from the lunch buckets of British Columbia; that's where these revenues are coming from. Over \$500 million in personal income tax; over \$500 million in liquor taxes. There are taxes on cigarettes, and there are fines from the courts.

All of these taxes — I'm including here nothing that corporations pay — amount to over \$1.4 billion a year, two-thirds of our tax revenues. For the average working man in British Columbia who is well-employed in a mill or as a tradesman, the taxes for him and his family to the provincial government alone exceed \$2,000 a year.

That working man spends one day a week, four days a month, over 10 weeks a year, working for the provincial government — not the federal government, not the city government; just for the provincial government. So I say, Mr. Speaker, that the average citizen of British Columbia has got a great deal of personal interest in the revenues of this province, the taxes he pays, and how they should be spent.

I criticized the former Minister of Finance (Hon. Mr. Bennett) in years when he deceived the people of \$60 million and \$70 million. The year, Mr. Speaker, that that climbed to over \$200 million — the 21st budget — was the year that that Minister of Finance and his government were defeated.

But, Mr. Speaker, that was all small potatoes for that former Minister of Finance, because do you realize what this Premier and this Minister of Finance has done in his first full year of office? The first budget that he brought before the Legislative Assembly is out by \$380 million. Never before in the history of this province, or any province in Canada, have we had this kind of misleading information presented in a budget to a Legislative Assembly.

Mr. Speaker, the question is this: with \$380 million more coming into the provincial treasury than we were told about in this House and that we voted on a year ago — that \$380 million — where did the money go? Where in heaven's name has it all gone? Wasn't in the budget. It wasn't accounted for in the document we got on Monday.

Well, Mr. Speaker, I'm going to tell you where some of it went. It's going to take some time, but eventually we'll ferret it all out. Can-Cel, Ocean Falls, Plateau Mills, Fruit Growers' Mutual Insurance, Sukunka Coal, Vancouver Island Coach Lines, Pacific Poultry, B.C. Telephone, South Peace DeHy Products, Westcoast Transmission, Dunhill Developments, Kootenay Forest Products: a dozen companies; a rat's-nest corporate conglomerate.

Not one word in the budget about all of those purchases.

You ask about where the \$380 million went. I ask you: how much of the public's money went to all of those ventures?

We're going to come eventually to the degree in

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which the public has been deceived by the present budget that the Premier has brought down — the amount of money that is in that budget which will never come before the Legislative Assembly for vote and which may go on a dozen more corporations in the coming year.

Now, Mr. Speaker, it isn't anything really new to do this, not in British Columbia, because for years and years the revenues of this province were deliberately underestimated so that these surpluses could be used by the Minister

of Finance.

Interjection.

MR. McGEER: The Member says, "the Revenue Surplus Act," but you know, Mr. Speaker, when he was supporting the Social Credit government and the former Minister of Finance, exactly the same thing was going on. He didn't complain about it then. He was all for spending the public's money on bank stock.

MR. CHABOT: Against the Bank of B.C.

MR. McGEER: Against government ownership of it, sure. Against government investment in it, yes. I don't think that's the way the lunch bucket money in this province should be spent. I've said this again and again and again because this is why we're unable to have appropriate services in this province. We take the surpluses and we use it in these ways not intended by those who pay the taxes. Certainly not to bring in bills supporting provincial banks, as one senator did.

MR. PHILLIPS: Are you against western Canada having some say in their own financial matters?

MR. McGEER: I'm against the Province of British Columbia owning stock in a bank. I don't think that's what provincial governments are for.

Interjections.

MR. McGEER: At least we knew, Mr. Speaker, with the former Minister of Finance that there was some kind of a limit on what he intended to do with the funds that he sucked away from the tax money. He put it into the B.C. Hydro; he put it into the B.C. Railway, and that was the end of it. Unfortunately, there was never enough left for schools and hospitals. We all know about the desperate shortage that accumulated over the years because of those policies. But now there's no limit of any kind with the established Crown corporations because we're into alfalfa cubing plants, we're into poultry....

MR. PHILLIPS: \$557 worth. (Laughter.)

MR. McGEER: Not chicken feed. I'm not talking about chicken feed.

We're into Westcoast Transmission. Not one cubic foot of gas will be pumped because of that investment that otherwise wouldn't have been pumped. We're into coal development; we're into planer mills; we're into newsprint plants. What else will we be into? And how much tax money will we have to put up for that?

AN HON. MEMBER: Wait till we get the waffle factory.

Interjections.

MR. McGEER: I know how wonderful it all is — how we made \$1 million on this investment. Well, you've lost \$118,000 on B.C. Tel; you didn't tell us about that. Shares have gone down, and I suppose the only way to make them go up will be to get into the market and buy some more.

MR. PHILLIPS: How about CBC? (Laughter.)

MR. McGEER: The problem, Mr. Speaker, is simply this: not only are the tax funds being sucked away to a degree that we can't in any way estimate, to go into all these ventures in capitalism on the part of a socialist government, but we lack any mechanism of accountability. Year after year, I've stood in this House and warned that there was no way of following the taxpayer's dollar into the Crown corporations that were then established.

Mr. Speaker, with the most superficial of investigations, a year ago we uncovered a scandal in the B.C. Railway involving mismanagement of millions of dollars of the public's funds. While this was going on, year after year in the House we got optimistic reports of the state of finances of the B.C. Railway — how it was making

money, how wonderful it was. But always, the people who were elected to help give some accountability of the public funds were kept at arm's length from those Crown corporations.

Even today the government resists the idea of an auditor-general. Of course they do! Who wants an auditor-general snooping around in all these Crown corporations — to say nothing of the government departments? Eighty-some-odd thousand dollars for the Minister of Industrial Development's (Hon. Mr. Lauk) office! Who wants an auditor-general looking into that sort of thing?

AN HON. MEMBER: The public do.

MR. McGEER: Hundred-dollar-a-day consultant fees to friends of the Minister of Housing (Hon. Mr. Nicolson). Who wants that kind of thing investigated?

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Interjections.

MR. McGEER: Mr. Speaker, I'm sure that the matter the Premier referred to will be mentioned by the federal auditor-general. I hope so.

HON. R.A. WILLIAMS: What would moonlighting professors charge? What did you go to that dinner for?

Interjections.

MR. McGEER: I'm sure that I know that if one cabinet Minister entrepreneur were in that position, he'd be running a business on the side.

Mr. Speaker, there are endless ways in which these Crown corporations can move to work against the public interest, because there is this lack of accountability. I warn that this is growing; it's mushrooming. We have no mechanism to keep control because the normal market forces that work discipline on private corporations are entirely absent.

This is why, when the first socialist premier of Canada, Tommy Douglas, went into power in Saskatchewan and bought the shoe factory and the box factory, and all the factories that the leader of the Conservative Party (Mr. Wallace) referred to one day, these ended in such an economic disaster for that province. I'll give just one example, if I may, Mr. Speaker, of the kind of thing that can go on and will go on.

The Insurance Corporation of British Columbia is insuring the schools of this province — providing all kinds of coverage that hadn't been provided to schools before, coverage that I doubt is necessary at all. But it is a way of funnelling tax funds because the Government of British Columbia will pay, through tax money, premiums to the Insurance Corporation of British Columbia for schools, which will help to make a profit for the Insurance Corporation of British Columbia.

There's no way that we can follow this kind of thing, We have to find methods, Mr. Speaker, of accountability, not only for the corporations that are now being managed by the Crown, but for the way in which tax moneys are being sucked off in this Legislature, year after year after year, by financial practices that should be utterly condemned. We want to know just how much money has been poured down the drain in these unnecessary purchases.

I want to say just one other word about our ventures into capitalism. When shares are traded in the open market, whether it's B.C. Telephone, whether it's Westcoast Transmission, or whether it's some private timber sale, the value of those shares or of that ownership is not based on fixed assets. It's based on the right to earn. If the provincial government grants the right to cut timber, and the rights to that timber produce for somebody an opportunity to earn, then the value is related to that right to earn.

There's a book by Adam Smith that I wish the Premier would read, called *Super Money*.

Interjection.

MR. McGEER: Well, you'd do well to read that too. When you take tax money out of lunch buckets and trade that tax money for rights to earn, that the government itself has conferred with its resource policies, then you're trading real, hard-earned money for mythical super money. It's nonsense policy. It's wasteful. It's never-ending. It produces no more jobs at all.

Mr. Speaker, I condemn completely this practice. It is unnecessary and appallingly wasteful. I hope the cabinet will all read this book and realize exactly what they're doing with the public's money. There's no rational pattern at all to your purchases — none. You're not trying to establish some new industry for a great move into the future. You're just buying helter-skelter. The net result has no impact at all on the economy beyond discouraging future investors in the province.

Mr. Speaker, I want to talk about the revenue estimates of this coming year — not last year, where we tucked away \$400 million, but this coming year — where I claim the Premier is going to tuck away \$310 million.

I base my revenue estimates of \$2,480 million on these assumptions. Well, we're going to have about a three per cent increase in population and probably five per cent inflation. Then if we have a two per cent increase in productivity — that's really a pretty small goal — we would have in this province a 10 per cent increase in revenue, which would be \$210 million greater than what the Premier predicted. Because, you see, the revenues that he gave us in his budget were merely this year's revenues; they had nothing to do with next year at all. We're going to take an extra \$100 million in natural gas and mineral royalties in this coming year, so the estimates are short by about \$310 million.

I may be wrong in those predictions, but I stick by what I say: that I will be closer by \$250 million than the Premier to what our real income will be in this coming year. The Premier said there was going to be no tax increase. You all heard that, didn't you? You read it in his budget? No increase in personal tax. How about the 10 per cent increase that you're planning for natural gas users in the province?

We said a year ago that you were going to stick the consumers of British Columbia with increased natural gas costs. That's a tax, whether you like it or not. All this business about resources for the people! What you're doing is, you are taking the people's own

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resource, and you're planning to gouge them for it. There's no relation to the cost of discovery or the cost of distribution.

You're making the people of British Columbia pay the Louisiana Purchase price. I say that's wrong, because natural gas in this province should go to the people for what it costs to discover and distribute it. I would think that that would be a good socialist policy.

Well, Mr. Speaker, I want to be fair. I want to be completely fair. The Premier knows that I'm a fair man and that I give credit where credit is due.

HON. MR. BARRETT: When are you going to give your leader a chance to speak?

MR. McGEER: Mr. Speaker, this is just a warm-up and what a mistake it was for the Premier to suggest that no one would have anything to say about this particular budget. In that orgy of congratulation....

Interjection.

MR. McGEER: No, I'm going to say some nice things because I want to be fair.

But I predict this: that some of these backbenchers are going to rise up in this debate and speak their minds. Yes sir, sooner or later, it's going to happen. One or two of them have almost done it, and before this parliament ends

some of these people are going to try and retain their seats by speaking out against the excesses of the Minister of Finance. I'm sure you're going to hear a lot from them, and you'd do well to listen to them. Not about daylight saving time, but about more substantive issues.

HON. MR. BARRETT: Will the real leader please stand up?

MR. McGEER: Mr. Speaker, he was thinking of Nanaimo. He was thinking of that meeting in Nanaimo. But there were some good things about this budget. You can't rake in an extra \$450 million without doing some good. We welcome the increase to renters of \$30. That's appeared in every Liberal budget. We liked the part about reducing education taxes on the land. That's been Liberal policy since 1960. We welcome the tax reductions, even if it was only secondhand clothing.

HON. MR. BARRETT: That would never affect your group. (Laughter.)

MR. McGEER: Well, I certainly think that the newest customers to *Tailor & Cutter* here in Victoria sit on the cabinet benches. Certainly they are the best customers of the furniture dealers in British Columbia.

We liked the idea of adding \$10 million to build homes for elderly citizens. That was one of the top policies of my predecessor as leader of the Liberal Party, Senator Ray Perrault. We liked the increase to the farmers. There was an extra \$10 million last year in the Liberal budget for farmers. Catching up. We liked the part about flood control, and I thought there was a little memory of the past there. I remember the sea of backbenchers in the Social Credit days, how they sat with frowns sternly listening to the former Minister of Finance when he talked about budgets for higher education, and there were the same frowns on the NDP backbenchers. But my, we applauded dikes — that was something for optimism and pleasure.

We liked the increases to Mincome because it's very clear that the elderly citizens of British Columbia are in the toughest position in times of inflation and in times of shortages of accommodation. Make no mistake about it; there's a shortage of rental accommodation as well as homes. When there are shortages, competition gets stiffer, rents go up, and it's toughest on people with limited income. We liked the increase in cash surplus.

Mr. Speaker, I think it's worth reminding the Premier, and other Members, that while our cash surplus in former times of \$90-some-odd million represented a reserve of only 21 days' revenue, the current increase to \$140-some-odd million really represents a reserve of only 24 days. So, though the numbers are large, the income and outgo is equally large. The reserves are really fairly slight.

Now, Mr. Speaker, it's my great pleasure to bring down the sixth Liberal budget. As in the past, it will differ radically from the Bennett-Barrett budgets which have had a depressing similarity over the years. Of those Liberal budgets that we've brought down, only one has not been a surplus, and that was because of ghastly mismanagement of the economy that year. Each one of them has not only been fully balanced but has been providing for a surplus. These budgets used to be greeted with laughter because no one could see how it was possible to use the tax money as proposed in these budgets to develop fully the potential of British Columbia by outspending the Minister of Finance.

This year's Liberal budget is \$2.372 billion, up \$200 million from that announced by the present Premier. It provides, Mr. Speaker, for a surplus of \$110 million, and there will be some suggestions as to how to use that money. The whole idea behind these Liberal budgets, Mr. Speaker, is to end the situation of profligacy and waste. We've had enormous amounts of money available to government. We've squandered a great deal of that money while leaving the people of the province, a substantial proportion of them, unemployed — today, Mr. Speaker, over

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70,000. These unemployed people collect social assistance, or Mincome, or some other form of support, and represent the really great waste in British Columbia. The budgets that should be brought on to the floor of this Legislature should provide for jobs for these people, and lay the groundwork for a new and better future in this province.

These are the spending increases, Mr. Speaker, over and above those announced by the Minister of Finance. First of all, \$24 million more for cities and municipalities. An increase in the per capita grant, not of \$2 but of \$8. What this would do, Mr. Speaker, is only to give the cities and municipalities the same 25 per cent increase in revenues that the Premier and the provincial government are getting. It's merely sharing, in a fair and equal way with the cities and municipalities, the bounty that is coming in to the provincial government.

What should be done with this money, the extra money that goes to cities and municipalities? Two major things, Mr. Speaker. The first is to provide funds for servicing land. I'll tell you why there's a housing shortage, Mr. Speaker. The municipalities own the land; there's lots of it. How do the cities and municipalities pay to service the land? Where does the water come from? Where does the sewer come from? Where does the lighting come from?

The answer, Mr. Speaker is this: that if the cities and municipalities don't have the money to do it, then they have to put it onto everybody's taxes, which no city government is going to do, or they have to sock it to the people who purchase the land. I know the idea is to make the developer pay for it. The developer doesn't pay for it. He makes the purchaser of the lot pay for it. The developer doesn't pay. That sends the cost of serviced land out of sight. No wonder property costs so much in British Columbia. The cities and municipalities have never had the funds to service the land. If the money were given to cities and municipalities for this purpose, instead of spending it on the Dunhill Corporation and harebrain schemes to lease the land, then housing would go ahead in British Columbia. Instead, we're spending far more money and getting far less return.

[Mr. Dent in the chair.]

The second way this money should be spent is to try and improve the cities and municipalities of our province, to make them better places to live. If the provincial government only gives an 8 per cent increase to the cities and municipalities, all of that will be eaten up by increases in salary. The cities and municipalities will be forced to stand still. If they stand still, they run down. There isn't even the money to maintain them. And it's true that some cities and municipalities are less livable places today than they used to be, but only because for the past 22 years the provincial government has failed to give them the nourishment they required.

I think there should be a commission appointed in British Columbia — and I'd even suggest former Mayor Bill Rathie to chair it — to go into this matter of tax sharing between the provinces and the cities and municipalities. Sooner or later in British Columbia and in Canada there has to be a rearrangement of the funding. We can't allow the senior government forever to hog the revenues, because some 80 per cent of our people live in cities, and what you are doing is condemning them to a future that the taxes they pay the government in no way justify.

Although this doesn't come into the spending part of the budget, I would recommend too, Mr. Speaker, that the cities and municipalities be permitted once more to borrow from government funds.

Notice that table, Mr. Speaker, on page 11 of the budget. Over \$330 millions of funds are available from the Canada Pension Plan and other provincial trust funds. Mr. Speaker, not one nickel is provided for cities and municipalities.

I see no reason why the municipal civil servants who pay into a captive provincial fund should not see their savings go to help their own cities and municipalities. Why should the municipal civil servants be forced to see their money go to the B.C. Hydro and the B.C. Railway? I think that only the provincial civil servants have to invest in the B.C. Telephone.

But, Mr. Speaker, even the provision of a provincial guarantee for borrowing would help the cities and municipalities. I ask which is more important, the future of our cities and municipalities or the ease with which the B.C. Hydro may borrow money? There are guaranteed earnings there; there is no difficulty for them to borrow on the open market — none at all. The same goes for the B.C. Railway.

I want to move on for a minute to the field of health. I want to pay a tribute to the leader of the Conservative Party because I think he summed it up better than anybody, in the non-confidence motion we had in the throne debate, when he said that the provincial government has placed pipelines before people. Twenty-three million dollars

of provincial funds were taken to buy a position in Westcoast Transmission.

HON. R.A. WILLIAMS: New money that you would never have obtained.

MR. McGEER: New money that we never would have obtained.

Interjection.

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MR. McGEER: Tell me how that's going to help someone who's ill and needs a bed in British Columbia. Look, Mr. Speaker, on page 11 of the budget. Look at the amount of money that's gone to hospitals this past year out of provincial government trust funds: \$17 million. What went to the B.C. Hydro? — \$200 million. Seventeen million to hospitals; what went to the B.C. Railway? — \$80 million...out of those same funds. A government for people — baloney!

People don't use the lights. The lights are going out for too many people in British Columbia because of lack of hospital facilities, and the Minister of Lands, Forests and Water Resources (Hon. R.A. Williams) had better learn it.

It's all very well, Mr. Speaker, for the government to encourage generous wage settlements in the hospitals; heaven knows they need it. But remember that those increases in the hospital budget are not going for more beds or to help the people out who haven't got beds today. They're going for wage settlements. So they should.

But the measure of what the Minister of Health (Hon. Mr. Cocke) is doing is found on page 11 of this budget, because that picayune \$17 million is all that's going for new hospital facilities in this province. We have every bit as much a crisis in chronic care today as the day the NDP took office.

Yes, the NDP has put pipelines before people. I absolutely agree with the leader of the Conservative Party (Mr. Wallace) that the Foulkes Report was unnecessary and outrageously expensive. There's nothing in that report that is revealing anything about shortages in health care that everybody didn't know about — that hadn't been talked about in this House long before the leader of the Conservative Party came here. It's the same continuing crisis that has plagued the elderly and the ill for over 20 years.

So in our Liberal budget, Mr. Speaker, there is an increase of \$30 million. It's to provide for chronic care facilities — to build beds — not to have senseless reports. In heaven's name, Mr. Speaker, tell the Premier to get on with the job.

Interjections.

MR. McGEER: He's gone. He didn't want to hear about chronic hospitals.

Interjection.

MR. McGEER: He just got up off his surplus. (Laughter.)

Our next increase, Mr. Speaker, is in the area of education. We've provided \$20 million, part of it for those school boards that are up against it. The percentage of the budget for education, of course, as everyone knows, has gone down. And once more those school boards with the greatest growth will be paying the greatest penalty. But where the budget is a particular disaster is in the area of universities. Eighty-three per cent of the present budget for the University of British Columbia goes on salaries for faculty and staff.

The population of our universities is increasing. The Premier himself said he wanted to see it go up even more. How in heaven's name can that take place when the budget given to the universities will require them to retrench?

AN HON. MEMBER: A zero increase.

MR. McGEER: No, it's less than a zero increase, because already the money is committed to present faculty and staff adjustments. And you yourselves have been encouraging the universities to have their technical staff unionized because they're underpaid. It all has to come out of that budget. It's nothing short, Mr. Speaker, of academic blackmail to invite the universities to come, cap in hand, and make some kind of a deal with the Minister of Finance.

Come with programmes that the Minister of Finance personally likes. He's not going to interfere, mind you, with the autonomy of the universities. Nothing like that. Just come and give him the programmes that he likes, and he'll pay up.

"Come with innovative programmes," he invited the universities to do. I want to tell you, Mr. Speaker, about one innovative programme that had a stillbirth in this province because of lack of funds. This had to do with the training of health professionals. The health science team concept.

Certainly the Minister of Health (Hon. Mr. Cocke) has said he wanted training of paramedics and so on. This concept was developed as an innovative programme in British Columbia. It's been adopted and implemented at the University of Western Ontario in London.

As a matter of fact, Mr. Speaker, the University of Western Ontario took the UBC plans holus-bolus — their architectural plans — and built a health sciences centre exactly according to the British Columbia design.

The health sciences team concept has been adopted and implemented at McMaster University in Western Ontario, at Dalhousie University in Halifax, the University of Manitoba in Winnipeg, and at Memorial University in Newfoundland. This was an innovative programme, strangled at birth by the provincial government. British Columbia is the one place we don't have that kind of programme.

That doesn't hurt the university, Mr. Speaker. It will still be there. It doesn't hurt anybody who's well and healthy in the province. It only hurts two kinds of people — those who need the services, the sick and the elderly. It hurts them, and it hurts the young

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people of British Columbia who are looking forward to careers in this field.

This is the effect of the Minister of Education's (Hon. Mrs. Dailly) budget and the Premier's (Hon. Mr. Barrett) budget — to hurt people in need and to damage careers of young people. You're actively doing that with the policies that you put forward — actively doing it. What the former government did was nothing compared to what you're doing today. You're anti-university, you're anti-careers for young people, and you're failing to serve the sick and the elderly of this province.

Mr. Speaker, I'd like to move on to an area where we complimented the government because we thought it was a progressive move to reduce property taxes for education. But, Mr. Speaker, if the government would stop buying up corporations willy-nilly and declare a tax dividend to the people of a really substantial amount, it would be possible now to eliminate completely educational taxes on residential property. So our budget provides \$50 million to reduce the most unfair and unnecessary tax in British Columbia. That's the tax for school purposes on residential land.

There are two more significant items in our budget. I'm sorry the Members for North Peace River (Mr. Smith) and South Peace River (Mr. Phillips) aren't here for this particular Liberal provision.

Mr. Speaker, not included in the revenues — and the Premier gave a completely unsatisfactory answer today to this question: why was not a realistic figure for natural gas resources included in the budget? There was an underestimate of probably \$100 million in income from natural gas and other fuel and mining royalties.

That money, Mr. Speaker, comes from Northern British Columbia. The natural gas is in the Peace River. If that money is taken by the provincial government and used for welfare services or for other programmes in the population centres of the lower mainland, it would represent nothing other than a colossal rip-off of the north. The money that comes from those revenues should be returned in its entirety to the development of Northern British Columbia.

So our budget calls for \$61 million, which comes from natural gas and other royalties from the north, to be returned for future resource developments — and for the provision of desperately-needed services in northern British Columbia.

It's all very well for us who live in the relative comfort of Victoria, or Vancouver, to collect the money and dispense it as we see fit. But somebody has to go up there where the living is rough and make that money. The least we could do is to pour back into the north, in further resource development and in services in the cities and municipalities of that area, the money that is made directly off the natural resources they harvest to us.

The federal government, Mr. Speaker, when it got into its confrontation with the Province of Alberta as to who would get the oil revenues of the export tax, at least had the wisdom to say a very substantial portion of that should be returned to the Province of Alberta for the purpose of building for the future.

If you put forward this natural gas tax and bleed that money out of the north it indeed will be a colossal rip-off — perhaps the greatest in our history. Make no mistake, Mr. Speaker, though the mining industry this past year brought in record revenues because of world record prices for copper and other materials that we produce in British Columbia, mining exploration has virtually disappeared in this province as a result of the punitive attitude of the NDP towards future development.

Again, and again, and again, we have heard that Minister of Finance today, rail against the former administration for the resource giveaway policies.

Mr. Speaker, that was the strength of the former government. It was the strength of the former Premier (Hon. Mr. Bennett). Strong policies were laid down over a period of a generation and because that groundwork was laid, record revenues have come to the NDP government. You're the beneficiary of those policies; acknowledge it.

But above all else, don't let your punitive actions so strangle growth that, in the future, governments with better policies than your own will be unable to implement them.

Two last items, Mr. Speaker.

First of all, we've got to begin looking to a different kind of industrial future in British Columbia than we've had in the past. We are more dependent today than ever before on our natural resource industries. It's a feast-or-famine proposition, and this year we're having a feast. But sometime in the future when world prices slump we'll have a famine here in British Columbia, and we won't have other industries to offset this almost total dependency on forestry, mining, gas and oil.

That's why we have to look now to the development of infant industries of a sophisticated type; scientific industries that, if they catch hold, can bring to our province and our people benefits far beyond the natural resource industries.

After all, where do we sell our natural resources? We sell copper concentrate to the Japanese so that they can build television sets and transistor radios which we buy back at enormous profits to them. The labour content goes with human ingenuity. That's where the real jobs lie and where the profits lie.

The Hon. Members know I've spoken again and again in the House about how a single discovery like that made by the Haloid Corporation, now called Xerox, can produce one company with sales greater than our total mineral industry; how IBM with its computers can generate far greater sales than the total

of our whole forest industry. This is where the real growth lies. That's why we again provide a supplement to industrial development, in the hope that at some time the government of this province will have the common sense to change its emphasis. Not that there will be any fast payoffs; it will take years and years for these things to be achieved.

Well, Mr. Speaker, those spending increases total \$200 million and represent the major changes between the Liberal budget and that of the NDP.

We'd like as well, just on a minor note, to look around carefully at the excesses of government: all the executive assistants that have proliferated in everybody's office, the expenditure on travel and furniture and the other perquisites. We're certain that if the provincial government were to look around carefully, they'd be able to save at least \$1 million a year. We'd like to see the first year of that saving go as a \$1 million contribution to saving the Orpheum Theatre in Vancouver.

Now, Mr. Speaker, that would still leave us with a surplus of \$110 million. But we don't recommend that the Minister of Finance use this \$110 million, or the \$300 million that he has provided for, for the purposes of future ventures into the private sector. Instead, we recommend that the government use these funds to redeem the parity bonds. There are still \$189 million, I think it is, outstanding. It's call money on the provincial government, and it represents a gigantic crap game where the parity bonds have been shuffled between trust houses and the captive special front of the provincial government for years and years. It should end now that the funds are available, and we should embark upon sound, long-term financial policies.

Mr. Speaker, the resources are here in British Columbia as never before; these are years of unequalled opportunity. No programme in this province that has been delayed for lack of funds need be delayed one day longer. We have \$400 million to spare in the year that we are 10/12th through now; \$300 million a year unannounced in the Premier's budget of yesterday.

What we lack is imagination in this province. Though I was harshly critical of the former Minister of Finance (Hon. Mr. Bennett) regarding his policies for human development in the throne debate, I say this: he was a creative Minister of Finance, and he had ideas. But when we carry on, as the present Minister of Finance is doing, with budgets almost identically styled when there are changing times and needs, is to blow the greatest opportunity that British Columbia has ever had.

Our Liberal budgets, Mr. Speaker, have continually provided for a full meeting of the responsibility of governments to the people of the province. We have never felt it necessary, and do not feel it necessary now, to take from the lunch buckets of British Columbia and spend on Crown corporations or on socialist experiments.

Mr. Speaker, I don't think the New Democratic Party government will long endure in this province. What we require is a new Liberal government in this province. (Laughter.)

Interjections.

MR. McGEER: Only then, Mr. Speaker, will we begin to make full use of the resources of our province.

HON. MR. BARRETT: He wants his old job back.

MR. McGEER: The hoots will give way to cries of admiration, Mr. Speaker, when finally the people realize that their tax money will be used for that correct balance....

AN HON. MEMBER: What was he going to charge Standard Oil in Ottawa?

Interjection.

MR. McGEER: I was just about to wind up, but the Premier diverted me. (Laughter.)

Mr. Speaker, I would like the Premier to tell us where he proposes to find the capital for oil and gas and mining exploration in this Province of British Columbia. He has not made this clear.

HON. MR. BARRETT: Not by doubling the profits.

[Mr. Speaker in the chair.]

MR. McGEER: The money that he gets he is spending on buying existing corporations, establishing insurance companies that can't seem to get their premiums straight, buying up alfalfa cubing plants, poultry industries and so on. But what has made today's prosperity possible has been the exploration for minerals that brought our mines, exploration for natural gas that made the pipelines possible that he wants to invest in today.

If we're to have a better future it can only be done in two ways: to have that risk capital available for resource development, which is today drying up as a result of the Premier's statements, and to have industrial policies that will encourage the scientific and technological industries that will provide tomorrow's growth.

Because these things are totally lacking, it is our intention, Mr. Speaker, to vote that you do not leave the chair but you stay there until the Minister of Finance brings down a half-decent budget.

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AN HON. MEMBER: Hear, hear.

MR. G.S. WALLACE (Oak Bay): There has been some comment in the House today about the particular speakers for the particular parties, and I suppose many people are asking how on earth a doctor should be a financial critic. They always say the doctor makes lots of money but he's the poorest character at trying to manage it. So I won't try to speak from the point of view of some financial expert; I would like to talk in a way which I think will represent the man in the street in British Columbia.

I was rather interested, however, in the comments of the Leader of the Opposition, who quoted part of the editorial from the *Province* today, saying that the budget was pure fiction. But he didn't go on to quote the part that said, "On the spending side, much of the budget is pure Social Credit in its worst sense. It almost sounds as though Mr. Barrett has been stealing old Social Credit scripts."

I notice the Leader of the Opposition didn't bother to read that part of the editorial.

Interjection.

MR. WALLACE: Yes, I notice that the Leader of the Opposition was asking for all the programmes which the Social Credit government carefully sidestepped when they were in office.

At any rate, that doesn't get this government off the hook, in the sense that they are indeed copying the former Minister of Finance (Hon. Mr. Bennett). I feel personally sorry about this because, with the greatest of respect, I expected more from the present Minister of Finance (Hon. Mr. Barrett). I have respect for the present Minister which, unfortunately, I couldn't dig up for the former Minister of Finance. The present Minister of Finance has stood on this side of the House in opposition and, in the years I've been here, pleaded for many of the services to people which, very sadly, he has neglected to meet in a budget which has an enormous surplus. As a simple observer of the budget, as I read it, we have added \$46 million to accumulated surplus, we have used \$74 million from the surplus to reduce bond debt, and we still have at least \$140 million for special programmes, which I'll speak about later and which are worthwhile in themselves.

Looking at the budget, one would have to ask one of two questions: this province is either providing sums of tax money in excess of need, in which case we're being overtaxed, or the sums being produced are not being wisely spent. It has to be one or the other.

It's my feeling that a budget is very much the sensitive reflection of a government's sense of priority, and I

think the man in the street will feel that this government's sense of priorities leaves a great deal to be desired.

It has already been mentioned that this is described as a resource dividend budget, and yet there is still two-thirds of the revenue provided by the taxpayers directly or indirectly. The basic premise in taxation, which I'm sure the Premier and the Minister of Finance has often mentioned in this House, should be to have the person contribute based on his ability to pay.

Surely on that basis the sales tax has to be the most unfair form of all taxes presently paid by the citizens of British Columbia. For the low-income earner, 5 per cent of the cost of the goods is a much more serious financial penalty than it is for the middle-income person. It seems that the budget, in my view, has forgotten that surely the first kind of relief that should be made available when there is a surplus and when the economy is buoyant is to the low-income earner and to the people on fixed incomes.

The sales tax brings in around \$275 million. I'm not suggesting necessarily that it all be removed in one step, but certainly in terms of the large surplus which the Minister of Finance has acknowledged, surely the very least that might have been expected would be some specific reduction on this very inequitable form of tax.

The Minister of Finance, Mr. Speaker, has laid great emphasis in his speech that there will be no increase in taxes. Although mention has been made of some hidden increases, such as the increase in the cost of natural gas, nevertheless, I fear the way the Minister of Finance has stated that taxes will remain the same encourages the inflationary psychology to which the people of Canada seem to have succumbed. It seems to me that most people in this country simply go on expecting all costs, wages, salaries, income tax — everything — will continue to rise. I would submit that with this kind of surplus the Minister of Finance would have exhibited unmitigated gall had he suggested any need for a tax increase.

One could well ask the question: could we not have brought in some form of tax decrease which would have had a definite deflationary effect on the economy in this province? It seems very simple that if the sales tax were reduced in whole or in part and the consumer has more money in his pocket, there would be some easing of the pressure which he or she presently feels to consistently seek higher wage settlements and higher take-home pay.

If this amount of tax revenue has to be raised, then I think it should be spent a little differently, and I'd like to mention one or two areas later. If the scope of social services which we have presently reached is not to be expanded — and I certainly think it should — and if the government by its speech is standing still,

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shall we say, on education and health, then I certainly think the Minister of Finance should have reduced taxation in some respect. I think the best respect would be to reduce the sales tax.

Probably all of us as politicians are guilty of this, but the Premier has the statement on page 17 that "...\$950 million will have been added to the provincial economy in two years." The phrase "will have added" seems to overlook the very simple fact that the money came from the taxpayer in the first place. It is question again of the stewardship of money which the taxpayer provides to government and not some miraculous power or gift that the government has to create the money.

In general, this is a budget which disappoints because of the stated objectives of the Minister of Finance in previous years and since he took office that he believes in a government for people and that the whole function of government is to look after the pressing needs of people, both socially and economically.

He makes reference, Mr. Speaker, to the indexation process which the federal government has developed in relation to old age pensions. I agree that consultation between governments should occur when a unilateral decision reduces the revenue of the provincial government. But I would like to ask the Minister — and I'm sure he'll answer — as to whether it would not be equally appropriate for the provincial government to index the Mincome programme based at regular intervals on the Statistics Canada figures for the cost of living in the different cities in Canada.

I'm certainly interested to see the sales tax come off secondhand clothing. It's a very interesting coincidence. When I made a speech in this House one year ago today I quoted a letter from a lady who incidentally, Mr. Premier, through you Mr. Speaker, phoned me up on budget night and said she was very pleased at your action and it was obvious that you are a Premier who listens.

I don't want my appraisal of this budget to be completely negative and critical of the government. I think that in this instance it's a start towards relieving taxation on the poor, the low-income earners, the unemployed and the sick.

I'd also like to comment on the energy conference, and the fact that I suspect that the people of British Columbia — and again I say this as an observer — are going to be rudely shaken when they find the price of gasoline and fuel oil rising at the end of the price freeze. I appreciated the invitation to attend that conference; as a greater measure for education for opposition Members, it served its purpose both in good ways and bad ways. My worst fears about the federal Liberal government were confirmed, but my interest and awareness were certainly increased by listening to the discussion on the energy crisis.

I just want to mention one little point in passing,

Mr. Speaker. I had a very delightful trip to Ottawa in the company of the Premier, who was travelling economy class. But on the way back I was travelling with the Hon. Attorney-General (Hon. Mr. Macdonald), and he was travelling first class. Now, I wouldn't want the province to think that we have a first class A.G. and a second class Premier. (Laughter.) I think there's some breakdown in communication somewhere.

HON. A.B. MACDONALD (Attorney-General): I wanted to be able to speak to my Deputy. (Laughter.)

MR. WALLACE: The Liberal leader was talking about trimming the fat off the government's spending, and maybe some of the Deputies should start travelling like we do — economy class.

I am disappointed that there hasn't been more public dialogue since the energy conference to explain the very complex nature of what was discussed, and for the citizens of British Columbia to realize that a very substantial increase in price is just around the corner, and that that very severe increase has already hit the people to an amazing degree in the Maritimes and eastern Canada.

The Premier himself has since stated that the price would rise by at least 6 cents a gallon on gasoline. This certainly is another inflationary factor which will be felt very strongly in due course.

Again, to get back to the whole question of how one spends the revenue — if there is a surplus — I would ask the Minister of Finance (Hon. Mr. Barrett) if he is considering cushioning the effect of that anticipated increase of costs by reducing the 15-cent tax on gasoline. The revenue from gasoline tax will bring in \$105 million, and it seems to me that if the government would like to cushion the effect of the cost of the increase and at the same time perhaps limit the inflationary effect of that increase, it might well consider reducing in part the existing 15-cent tax on a gallon of gas. The cost of gasoline has to be a very sensitive factor in the cost of living, and I would hope that Minister would give that some consideration.

There is a half-a-cent per gallon of tax on fuel oil. A gain, I think the government should give consideration to removing that tax.

There are many aspects of the budget, Mr. Speaker, which deserve mention and credit to put this party's appraisal of the whole budget in context.

The emphasis placed on housing is most welcome. Details will, of course, be provided by the Minister of Housing (Hon. Mr. Nicolson). We look forward to a debate on housing and would hope that there is some innovation involved in the programmes which the government will bring before the House.

I was concerned about the phrase in the budget

which talks about emphasizing building on Crown lands, as no mention was made of the University Endowment Lands. I would just state, Mr. Speaker, that one of the big problems of our society today is urbanization — crowded living, social problems associated with mere confinement by citizens, and crowded residential space. It would seem to me that with the population increasing steadily by whatever it is — 1 per cent or 1.5 per cent per year — that area of the University Endowment Lands really is a priceless asset for the future. To me it would appear quite wrong to cut that timber, and to level that ground, and put down blacktop and homes. This, I feel, Mr. Speaker, is something which, from my inspection and from my enquiries, has not been adequately researched by the government. I notice the Minister of Housing (Hon. Mr. Nicolson) is not in his place, Mr. Speaker, but....

AN HON. MEMBER: He's right behind you.

MR. WALLACE: Oh, hi! Well, they say you have to have eyes in the back of your head when you're in politics, so I guess that's right.

Mr. Speaker, this is not an issue that should be lightly overlooked or treated in any biased way. I think we need some very objective people, and maybe even an all-party committee, to look at this particular piece of British Columbia, which in its long-term scope would equal or far surpass what we now have in the form of Stanley Park. There is a potential for it to be developed in a variety of ways. I'm not suggesting for a minute that it has to be the same format as Stanley Park, but the people who preserved that land to develop Stanley Park had a great deal of foresight. I just believe from looking at the area personally that the same kind of foresight is now called for in this day and age when people really seem to have less and less opportunity to get out into the countryside or to get away from high-rises and blacktop.

I would plead with the Minister of Finance (Hon. Mr. Barrett) and the Minister of Housing (Hon. Mr. Nicolson) that the widest possible public discussion be carried on and dialogue take place before some irrevocable decision is made and the Province of British Columbia loses a natural asset.

We would like to express this party's approval and support of the concept of the renters' grant. The special-purpose programmes, particularly the community recreation facilities fund, is another area of progressive thinking which, I think, has a multiple effect, not only in providing facilities, but in encouraging our younger people to participate in recreation at a time when we all know how serious the drug and alcohol problem is among our younger people.

Regarding the \$35 million project for ferries, I would hope that somewhere in the debate the Minister of Transportation (Hon. Mr. Strachan) would tell us what progress, if any, he has made regarding federal subsidies, both for the construction of these ferries and the operating costs. It's my information that in the Maritimes the federal government itself finances ferry service. It would seem to me, Mr. Speaker, again relating back to the energy conference, that if there's got to be Confederation — and I hope there is, and always will be — and if there's got to be a great sense of national fair play across the country on the price of oil, let's have the same fair play when it comes to ferries and the question of transportation. I just feel that if the attitude of the federal government to part of the Trans Canada Highway on the east is one formula, then it should be the same on the west. I would hope the Minister of Transportation would have some information, whether it's good or bad, for the House regarding subsidies for ferries.

Interjection.

MR. WALLACE: The answer is no, is it?

There's one amazing omission from the throne speech and the budget speech: there's not one word that I can find anywhere on the Indian peoples in the province. Not a word. I've sat in this House through many debates and heard a great deal of lip service paid to the recognition of the problems which exist for our Indian peoples, particularly in health care and housing.

At this particular time the Indian peoples are rightly registering a great deal of protest regarding land settlements which are under debate and discussions between the federal government and the Indian bands in which this provincial government has become involved. Certain land changes took place many years ago — 1919, I think, was the year. Land was illegally taken from certain Indian bands, and they are now trying to have this right corrected.

One of the clippings I have — in fact, all the newspaper reports — suggest that everybody's dancing around this problem. The two governments — the federal and provincial governments — are just giving an outward impression at least of pretending to come to some arrangement and fair settlement with the Indians. But if you read the Indian delegates' comments in the press, it seems to me that the government is very reluctant to negotiate in good faith.

HON. R.A. WILLIAMS: They accepted our proposals.

MR. WALLACE: The Minister of Lands and Forests interjects that they have accepted the proposal. That was not public knowledge until now; I'm very pleased to hear it. Maybe some place in the

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debate we will find what the financial involvement is since, indeed, we're discussing the financial affairs of the province.

With greater reference to the social needs of the Indian people, I would hope that the work which was begun by the Minister Without Portfolio (Mr. Calder) will be continued. Again, I really feel that either in the throne speech or the budget speech the government should surely have given us some indication of what is being done, and certainly within this budget what financial resources are being made available to the Indian people, and to what degree realistic efforts have been made in the health field to improve the shocking statistics which an affluent province such as British Columbia should be very sadly ashamed of.

I mentioned in this House before that the various statistics relating to neo-natal mortality and health statistics generally of the Indian people are far below the average for the same age groups for the non-Indian residents of this province.

I feel, as I've said already today, that there's a great deal of lip service paid to the need in this House, but I'm very disappointed that there isn't some mention of a positive programme or at least an outline of the kind of financing and personnel which this government plans to provide to improve the position of Indian people in the province. I think they unquestionably deserve to receive a fair share of the affluence which is so obvious in the pages of this budget speech.

The Minister of Human Resources (Hon. Mr. Levi) is now responsible for Indian Affairs, and I would say on that aspect that it would seem to me too much to expect of one Minister that he should have the large Department of Human Resources to deal with and should also be trying to catch up with the long-neglected problems of the Indian people.

I would like to talk for a moment about a subject which certainly has been covered today, and I will regretfully have to cover it again because I can just only conclude that the message is not getting through. I am talking about hospital care in British Columbia. If there was one specific, clear-cut election promise which this government made in 1972, it was to meet the shocking, disgraceful gap in the provision of adequate hospital and health care services, with particular reference to the elderly, sick citizens of our province.

As I say, Mr. Speaker, I don't know all the many speeches I must have made on this subject in the past few years, and I just didn't feel that I would ever be making the same speech over and over and over again to this government. When I started speaking on the budget today, I said that the challenge to government is to demonstrate to the people their sense of priorities, their degree of concern for individual citizens in great need — a need which they themselves with their own resources just cannot possibly meet. There is no mention in the budget of any

specific amount of money being set aside for intermediate care or home care.

I've already commented that we favour these special projects under the \$140 million for physical fitness, cultural fund, housing and so on. But I really feel, Mr. Speaker, that if we can only do that at the expense of neglecting sick people — people who need nursing care and the proper facility and all that goes with their physical condition — then I say our priorities are completely wrong. I'm all for physical fitness, and I'd like to help develop a sense of culture and beauty in this province, but not at the expense of a very substantial number of elderly people who are ill, who are receiving poor care, some of whom aren't even contacted to be told that they are suffering from malnutrition, and their relatives have to take food in to them. They are in a setting where they're paying the whole shot themselves, and if they live long enough, they go broke and go on welfare.

If this is the kind of fate that awaits elderly people in this province, they must look at this budget and say, "My God, what kind of sense of justice is this?"

Just in case I haven't got the message through, I'll quote you a case that I was contacted about as recently as last night. A man has a stroke in 1969. Severely disabled, he is looked after in a private nursing home. Later in his illness, he deteriorates to the point where there is some salvation financially and he qualifies for extended care. So then he can be looked after at \$1 a day.

But then, Mr. Speaker, the whole purpose in medical care is to make people better. So this poor man, by his efforts and the efforts of skilled medical people improves. Then, my goodness, he no longer qualifies for extended care. Just the other day, he was told that he would have to be out of the extended-care facility by February 15.

Not only does this happen, Mr. Speaker, but no contact is made regarding this decision with the family. The doctor in charge of looking after the patient is given the job of informing the patient that he has been reclassified and will have to find some other facility.

Now, I have to conclude that the Minister of Finance does not know the degree or the detail to which this happens. I just have the conviction that if he knew realistically what is happening in this province in this area of neglect, we would have action tonight. And I'll take the Premier to any number of places right tonight, if he wants, and he'll see that this is a programme which needs immediate attention. I know that we've had a study, I know there's going to be a lot of discussion, I recognize that the Foulkes Report should be open to public debate, I'm sure it will yield much in the way of positive programmes, but the need is now. It has been there for a long time.

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Again, let me just talk a little bit about money for a moment. I've always said in the time that I've been in this House that no opposition Member should stand up and speak quickly or even sincerely about certain programmes without attaching a price tag. I think that's something that all Members should try and remember.

I've done some more research into what this intermediate-care programme would cost to operate. Again, I'm taking some statistics from the Alberta nursing home programme which began, Mr. Speaker, in 1964. This level of care has been provided in Alberta for 10 years. It is not cost-shared.

I recognize completely and agree with the Minister of Finance that the federal government should not make artificial distinctions regarding the level of sickness of an individual in Canada. You're either sick and you need help, or you're not sick. To pick out some segments of sick people and give them reasonable financial assistance and care, and dump another group as though they are cast-offs, who can sink or swim under their own resources, I think, is also a shocking dereliction of social conscience on the part of the Liberal government.

But anyway, that's a fact, and we've been told very plainly and the Premier knows very well that the federal government's dug their heels in, and if this province provides intermediate care, it's on its own as far as financing is concerned.

The cost of the nursing home programme in Alberta in 1973 was \$15 million. In very general assumptions, if

we have about twice the population, I would assume that it would cost this province \$30 million a year. The financing in Alberta at the present time is that the patient pays \$3 a day and the government pays \$7.75 a day.

Now we have revenues of \$2.177 billion projected in the budget, Mr. Speaker, and in the same way that I think the Indian people are not getting their fair share of the affluence of this province, we would certainly say that right alongside in equal need are these elderly citizens who do not qualify for extended care. I can understand the Minister of Finance's sense of puzzlement because when you talk about qualifying for extended care, it's almost as though you are trying to pass some kind of test. I suppose in a way that's what you are doing.

Just for the complete enlightenment of anybody who is in doubt, we have a system in this province where you have to be disabled to a certain degree before you receive the \$1-a-day coverage. You can be very substantially disabled and need a very substantial degree of assistance of one kind or another — with hygiene, feeding, nursing care — but there is a point at which you are considered to be more or less totally incapacitated, and then your care is provided and the cost is \$1 a day. But short of that artificial, unrealistic, inhumane definition, many, many people are being, I think, very unfairly treated by this government.

You know, Mr. Speaker, just to recall another little bit of history — and I have great respect for the present Minister of Health (Hon. Mr. Cocke) for, I think, in balance, he is doing a very good job — but, you know, I sat in this House when he was over here and he, year after year, brought in a private Member's bill, and that bill was a very simple one — about six or seven lines long. All it was asking was that we implement a programme of intermediate care for people who require that kind of care.

Again, I'm not overlooking costs. I really am not. For what has happened to the Minister of Health's proposal that extended-care patients pay \$5.50 a day? I've made some inquiries, Mr. Speaker, of the statistics involved, and if the patients presently receiving that degree of benefit — presently paying \$1 a day — paid \$5.50, they would raise \$6 million, which surely would be of some assistance to the people presently getting no help.

I think that we can philosophize and we can have our ideologies, and perhaps we can argue that the government should pay the whole shot, or half the shot, or whatever. I realize that's certainly debatable. But having established one kind of formula for acute care and extended care, and to leave this other group of deserving people right in the middle with no help at all, I just think is very unfair. I'm sure the Premier is going to pursue this matter further.

Interjection.

MR. WALLACE: I'm just suggesting, Mr. Minister of Finance, that I know that money doesn't grow on trees. The person who is receiving Mincome of \$213.85 a month and is actually in an extended-care facility is receiving more or less all their needs — their food, their shelter, their heat — and this costs them \$30 a month. This leaves them with \$180, if my arithmetic is right.

I'm just saying that there seems to be.... If we could afford to do that for everybody at all levels of care, I agree that that would be just great. But I doubt if the financing can permit that degree of largesse by the state. I'm just saying that there should be, surely, some measure of justice and relationship in what the patient does pay as between these different levels of care. I don't think there should be two levels of care where a person may actually be accumulating assets and another level of care in a nursing home where they are going broke.

I'm just saying that I think the government should look at this. There's a phrase which the Minister of Human Resources (Hon. Mr. Levi) so often uses; he talks about "moving the money around." I take that expression to mean that it's used in a way which is

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just and fair to the various groups concerned. And that's all I'm asking: that this matter be looked at again. Surely we could provide some financial assistance to these people.

I certainly like one part of the Foulkes Report which discusses the importance of establishing and maintaining standards in such facilities as nursing homes and personal-care facilities. It isn't just enough to provide X amount of dollars for the daily care. I think that's extremely important, but that is certainly not enough, and I look forward to the creating of various facilities, the providing of hospital coverage and the setting and maintaining of standards to ensure that these people receive adequate care.

I've tried to talk in human terms without ignoring the financial involvement. But, Mr. Speaker, rather like the energy crisis and the price of gas not being enough in this province, the wage increases which have been negotiated in the hospital field will have a very significant impact in all other places of employment. I'm not in any way arguing against the right of the hospital worker or any other worker to negotiate the best wage he or she can. That's not what I'm arguing about. I just want to record fact and figure.

The wage increase for the non-nursing staff is something in the order of \$20 million, and the anticipated increase for the nursing staff will be in the order of \$15 million. So while there is something in the order of \$83 million being put in the hospital budget, we already know that \$35 million of that will contribute nothing to any increased programme or any new service.

The interesting thing, Mr. Speaker, as to the impact in other aspects of our economy, is the basic wage rate which has been set for various groups of employees in the hospital field. For example, the starting rate for a clerk leaving school is \$612 a month, and, generally speaking, for example, cleaners in a hospital have a wage approximating \$749 a month.

Now I would submit, Mr. Speaker, that there are other people employed in this type of job, not inside hospitals, who automatically will be seeking parity with those wages.

I'm in agreement with the idea that equal work deserves equal pay. If a man and a woman do the same job, then I see no reason why the woman shouldn't be reimbursed as well as the man. But there again, that is a matter of principle. From that follows a matter of dollars. The recognition in the hospital field of this application of human rights will have very substantial ramifications as to the total cost of hospital services.

I would like to touch briefly on education. Again, I regret that this is the second area where this government has sadly disappointed me in relation to its performance compared to its promises. The operating expense grants have increased by \$30 million, and I just learned today from inquiry that salary increases to teachers will come to \$30.5 million.

Mr. Speaker, I don't care how the government tries to tell us that there will be reduction in the number of pupils per teacher when it's a standstill budget as far as providing the necessary money for more teachers, or teacher assistants, or the various other methods by which the pupil-teacher ratio can be reduced.

Even on page 14 in the budget I think the Minister of Finance has chosen his words very carefully. He says: "We hope these measures help lead to reduced class sizes." I think that's far from a definite commitment. I'd have to conclude that there will be no or practically no decrease in the number of pupils per teacher.

The Minister of Finance interjected a little spontaneous comment into that subject. I notice the Minister of Education is listening very intently. I think the Minister of Finance gave her an escape hatch yesterday against the day when teachers and pupils and trustees are going to be howling around her head for not meeting this promise to reduce the number of pupils per teacher.

The Minister said supplementary warrants would be available where school boards can demonstrate exorbitantly high pupil-teacher ratios. Now, Mr. Speaker, the phrase "exorbitantly high" conveys to me the sense of about 100 kids in a classroom. That's a very extravagant phrase: "exorbitantly high." Since there's so much sincere and well-meaning debate among experts as to what the so-called ideal number is for a class — somewhere around 28, 29 or 30; one or two or three up or down — the phrase "exorbitantly high" seemed to me that the Minister of Finance was hedging.

But he did say, and I have the exact quotation:

"I want to announce, as I did at the press conference, that we will make available to any school board emergency additional capital funds if they wish to come to the Minister of Education and make the case for these capital funds for classroom make-up. Further, Mr. Speaker, along with this amount of money, we will make available special supplementary warrants for any school district that shows us an exorbitantly high student-teacher ratio."

Not only does this make it clear, Mr. Speaker, that it's going to be very difficult to prove one's case if it depends on the interpretation of these two words "exorbitantly high," but furthermore, I just feel, Mr. Speaker, that it is not right to suggest that school boards should have to come and plead their case directly with the Minister of Education.

It's my feeling that we're here annually to review the financing of the affairs of British Columbia. That

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includes very large amounts of financing for health and education. The decisions, Mr. Speaker, should be made right here in this chamber. The point which is reached in this debate should surely demonstrate the need and the proposed programme of financing to meet that need. There shouldn't be this kind of behind-the-door or under-the-counter, or whatever kind of phrase you might use, to suggest that if the budget has not really met the need then different school districts can return to the Minister of Education and plead their case once the legislators have gone home.

In the same way that this government is not meeting the need in the intermediate health care field, I regret that we can only conclude that it's falling short of one of its basic promises in the educational field, which was to reduce class size.

I think it is also unfortunate that the Minister of Finance showed his very considerable lack of confidence in the universities of this province. He stated that if the universities would demonstrate the potential for an expanded role then he would provide more money.

Now, Mr. Speaker, I don't know a great deal about Simon Fraser University, but speaking for UVic and UBC — and I'm not in any way reflecting on Simon Fraser; I just don't happen to know very much about it — I happen to believe that these two universities have first-class staff and they produce excellent students. If I can pick the example of the engineering class, I'm told that when the students graduate from the engineering class any of them who seek graduate study courses at the three outstanding universities in the States: MIT, Stanford, and I forget the third one....

Interjection.

MR. WALLACE: Yes, I'll get to that in a minute. I'm told that our engineering graduates have no difficulty getting top places in the top universities for post-graduate studies. I think that's very realistic proof of the quality of teaching done at UBC in particular.

Mr. Speaker, it's very interesting that we should talk about UBC and the engineering faculty because this Department of Engineering is trying to raise \$1 million privately to provide a proper facility in which to teach the engineering students. The various information, Mr. Minister, through you Mr. Speaker, is that UBC has received the same provincial capital grant for the past four years although building costs have spiraled. One hundred army huts from World War II are still in use on the campus. This obviously isn't enough. We've still got 100 army huts, we're still giving the same capital grant, and we all know what has happened to construction costs.

AN HON. MEMBER: Construction is not the only answer.

MR. WALLACE: No, I agree, construction cost isn't the only factor. I agree that the operating cost is also very important, and I don't think that the universities should be subject to any less scrutiny than any other area of public expenditure. But I am submitting that as far as UBC is concerned, and in relation to this particular faculty, the House should not be left with the impression that they're dwelling in marble halls and walking around being taught with first-rate equipment in new buildings. This just is not the case.

Interjections.

MR. WALLACE: Right. While it's allotted from the overall capital grant, it's \$2.7 million for the commerce building and \$2.8 million for the civil and mechanical engineering building. I'm not denying that, Mr. Minister; I'm just saying that we seem to be in a catch-up situation. This has been going on for years and we have the university appealing for a fair and objective appraisal. Maybe they will level off later if they can catch up with the facilities that should have been provided some long time ago.

I did a little inquiring into your comment yesterday and I find that attempts have been made to make the University of British Columbia available in the summer months and to encourage students to take courses at that time. I understand the problem is that most of the students have to be somewhere else working to raise the money for their education. This is not the whole story but part of it.

Interjection.

MR. WALLACE: Right, we'll get on to the question of medical students. I think the Minister well knows, Mr. Speaker; this has been debated many times in this House. We had quite bald, blunt statements from the former administration: why spend money educating doctors here when they came from all over the world?

HON. MR. BARRETT: That's not our problem.

MR. WALLACE: I'm not saying it is, Mr. Minister; I just wanted to get the record straight. The fact is that the leader of the Liberal Party (Mr. D.A. Anderson) and myself and others have expressed the serious concern that we've now reached the point in this province where sons and daughters of lifelong residents of British Columbia who have the knowledge and the training and the academic record to seek medical education are denied it in something of the order of one out of four, or five who apply.

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The fact is, Mr. Minister, through you Mr. Speaker, that unfortunately medical education is probably the most expensive of any university course for a variety of reasons.

Interjection.

MR. WALLACE: Well, it's the public money; I'm just quoting the simple fact that it is expensive compared to various other faculties. So let us not be in any doubt.

This brings me back to the dollar sign again if we are to increase the medical faculty substantially. I must be fair; the Minister of Health (Hon. Mr. Cocke) has committed himself to this goal. That is just the same as talking about an increased range of hospital facilities. If you need an increased range of medical teaching facilities at the university, \$10 million doesn't help very much at all.

HON. MR. BARRETT: We will give operating money so the school functions go on all year around.

MR. WALLACE: Well, that's fine, Mr. Speaker, because I'm sure this is the kind of commitment which UBC is looking for. I hope maybe the Minister can comment later on in one of the debates so I can take that as a commitment that when the university makes a specific proposal to this government to expand its medical school, the financing will be made available.

Interjections.

MR. SPEAKER: Order, please. The question period is over.

MR. WALLACE: Mr. Speaker, if we have opened up the dialogue to a greater degree than has occurred in recent times, I think that in itself is a step in the right direction. I hope the Minister will pursue the matter with the university at the earliest opportunity.

One of the aspects of university function which I think is quite often overlooked is the very inherent talent we have in the universities to provide some of the basic research and innovation which really is so important if we have a broad vision of the future development in British Columbia.

We are all aware of the challenge to develop our economy while preserving the environment. The Minister talked the other day — I don't think he made a commitment — about a steel mill. Immediately somebody on this side of the House shouted out, "What about pollution?" And there you have one of the problems of economic development in British Columbia in a nutshell. It applies to other suggested industrial and economic development.

I have the feeling that perhaps the Minister of Finance is not as well aware as he might be of the tremendous potential among our university staffs to provide the basic research and the wise use of new technology to provide us with the various ways in which development can go on at the same time as we control some of the consequences in terms of pollution.

Just quoting the work of the engineering department at UBC again, for example: they've been closely involved in the water quality and management studies of the Okanagan Lake; they're studying the use of coal for absorbing heavy metals from industrial waste; studying the effects of wastes leaching through soils; flood prediction studies in the Fraser River; development work on a kidney machine (I think I referred to that in the House at an earlier date); processes for the production of artificial limbs; computer control of machining operations; noise control and abatement; and so on.

I don't think the Minister of Finance is unaware of this, but I do feel that perhaps there should be a greater effort by government in co-operation with the universities to call upon the talent of these scientists and engineers who can contribute to the development of equipment and machinery which in turn may prevent some of the environmental hazards.

When I spoke to the Dean of the Faculty of Engineering, I think it was, I was really disappointed — and I'm sure the Minister of Finance is probably disappointed to know this if he doesn't already know it — that the engineers who developed this Wally Wagon, which was a highly efficient vehicle in terms of minimizing pollution, can't sell it and can't get anybody interested in it. Apparently the Wally Wagon, for all its inherent value per se as proving that clever people can design a very useful and efficient vehicle, for what detailed reason I know not, has gone into the museum.

I just mention that in passing. It may be that we need more incentive or more encouragement in some way — not necessarily only in dollars — to encourage basic research in the universities. On the other hand, I can see that if somebody put all this effort into something which was innovative and new and then finished up without a market for the vehicle, perhaps there is a need for government assistance.

The problem is, Mr. Speaker, that whenever we're trying to find a solution the Premier always comes up with public ownership as the panacea.

I would just like to finish by coming back to this whole matter of assessment, which is of serious financial consequence to many people in the province. The latest public revelation in the newspaper shows that at the discretion of the assessors this whole business of a 10 per cent ceiling can be waved aside with a stroke of the pen under 9(2) of the Assessment Equalization Act. I think it's important to read into the record that section 9(2)

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says:

"The Commissioner may at any time order the Assessor of a municipal corporation or rural area to carry out a complete reassessment of the lands and improvements in his jurisdiction or a portion of the same. If the reassessment by the Assessor is not satisfactory in the opinion of the Commissioner, the Commissioner may conduct a complete assessment of lands and improvements in such municipal corporation or rural area or portion of same as he considers necessary for the purpose of securing general uniformity in assessments for real property under the *Public Schools Act*."

This, in effect, Mr. Speaker, gives the complete power to the commissioner to decide on his own or on the advice of assessors that the 10 per cent ceiling should not apply. I'm not just talking about whether this is undeveloped land or five acres for home or anything in relation to the other points we've already discussed. These are residential properties to which this arbitrary application of section 9(2) could be applied.

There's an article in last night's *Vancouver Sun* which says the assessment hike picture is still cloudy. Again, I really don't feel, Mr. Speaker, that the Minister of Finance knows the degree of confusion which exists in this whole assessment picture. I've probably had more letters on this subject than any other. With the exclusion of Autoplan (we get them every day). With regard to assessment, there is utter confusion and chaos. Courts of revision in different parts of the province are making important financial decisions for individual property owners, and they all seem to be using different guidelines and different criteria.

Now, Mr. Speaker, I realize that certain amendments were made and things haven't worked out. The Minister of Finance refers to it in his budget speech. But the fact is, Mr. Speaker, there is a real mess in this matter of assessments.

I would plead with the Minister of Finance, in trying to get fair play for everybody concerned, that he at this point without further delay consult with the provincial assessor and try to come up with some uniform, specific directive which can at least ensure that people who make appeals, whether it's in Hope or Langley or Prince Rupert or wherever, will get the same kind of treatment as they would receive in any other area of the province.

The fact that the amendments didn't work the way the Minister thought or the fact that complications have arisen is certainly something that could happen to any government. I'm not trying to be smart after the event. The fact is that we now have a great amount of information, facts and figures which we did not have at the time we voted these amendments through last spring. The chicken has certainly come home to roost.

It would seem to me that even at this late stage in the problem the government could and should take some action to try and find a uniformity of treatment to all the property owners who seek to put an appeal before a court of revision.

Mr. Speaker, if I were to pick one item out of the government revenues and again look at the shortcomings in meeting social needs, I would have to say that because a government that derives \$97 million from the sale of liquor is doing so little to deal with the tremendous health and social problems which arise from alcoholism, here is an area where action is long delayed and inadequate at the best.

The drug and alcohol commission was set up last year. At the time it seemed to me that this was a step forward, and I voted in favour of that legislation. But I now see that we're still deriving \$97 million from the sale of liquor. And I really don't hear very much in a positive sense as to the kinds of programmes which the new commission is proposing to deal with the problem. While we quite rightly are all concerned about the drug problem, on the other hand, Mr. Speaker, the facts and the figures show that alcoholism is still the predominant problem in terms of an addiction to a chemical.

I would hope that the Minister of Finance (Hon. Mr. Barrett) or one of his Ministers — perhaps it should more appropriately be the Minister of Human Resources (Hon. Mr. Levi) — when he tells us about what he's planning to do in the realm of Indian affairs, perhaps can also tell us about the positive proposals of the drug and alcohol commission.

I think, in closing, one could say there are many aspects of this budget which are very sound and well worthwhile, such as the ones I referred to earlier on. But it's quite clear that the Minister is underestimating revenue and overestimating expenditure. If this is his chosen approach to budgeting, which was the same approach of the former administration, then I would simply plead with the Minister of Finance that the excess of the surpluses available should surely be poured into the gaps that I have tried to describe in health, education and human resources.

I think it was a very essential theme the Premier put forward in his election campaign that his government

would not just be a government run by the dollar sign; that it would not be growth for growth's sake; that it would not be a question of allowing business and industry to make large financial profits without that kind of profit being made available for social reform. I just say that I am very disappointed that this budget contains such a small amount of social programmes.

Hon. R.A. Williams moves adjournment of the debate.

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Motion approved.

Hon. Mr. Strachan files answer to question 85.

Presenting reports.

Hon. Mrs. Dailly, on behalf of Hon. Mr. Hall, presents the report of the royal commission on post-secondary education in the Kootenay region, and the supplementary appendix.

Hon. Mr. Barrett files the annual report to the Minister of Finance from the inspector of trust companies.

Hon. Mr. Barrett moves adjournment of the House.

Motion approved.

The House adjourned at 5:31 p.m.

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