

The following electronic version is for informational purposes only.
The printed version remains the official version.

Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)

TUESDAY, APRIL 10, 1973

Night Sitting

[[Page 2499](#)]

CONTENTS

Night sitting

Routine proceedings

An Act to Amend the Municipalities Enabling and Validating Act (Bill No. 176).

Hon. Mr. Lorimer. Introduction and first reading — [2499](#)

An Act to Amend the Mineral Act (Bill No. 144). Second reading.

Hon. Mr. Cocke — [2499](#)

Mr. Smith — [2499](#)

Mr. Richter — [2502](#)

Mr. Gardom — [2504](#)

Mr. McClelland — [2505](#)

Hon. Mr. Nimsick — [2507](#)

Division on second reading — [2508](#)

Mineral Property Taxation Act Repeal Act (Bill No. 47). Second reading.

Hon. Mr. Nimsick — [2509](#)

Mr. D.A. Anderson — [2509](#)

Mineral Land Tax Act (Bill No. 64). Second reading.

Hon. Mr. Nimsick — [2509](#)

Mr. Phillips — [2510](#)

Mr. D.A. Anderson — [2512](#)

Mr. Wallace — [2513](#)

Mr. Richter — [2513](#)

Mr. Morrison — [2515](#)

Mr. Gardom — [2516](#)

Hon. Mr. Nimsick — [2516](#)

Division on second reading — [2517](#)

An Act to Amend the Placer-Mining Act (Bill No. 169). Second reading.

Hon. Mr. Nimsick — [2517](#)

Insurance Corporation of British Columbia Act (Bill No. 34). Second reading.

Hon. Mr. Strachan — [2517](#)

Mr. Gardom — [2518](#)

Mr. Smith — [2519](#)

Mr. Wallace — [2520](#)

The House met at 8 p.m.

MR. SPEAKER: The Hon. Minister of Municipal Affairs.

HON. J.G. LORIMER (Minister of Municipal Affairs): Mr. Speaker, I have the honour to present a message from His Honour the Lieutenant-Governor.

AN ACT TO AMEND

THE MUNICIPALITIES ENABLING

AND VALIDATING ACT

MR. SPEAKER: His Honour the Lieutenant Governor transmits herewith a bill intituled *An Act to Amend the Municipalities Enabling and Validating Act* and recommends the same to the Legislative Assembly. Government House, April 10, 1973.

Bill No. 176 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.

Orders of the day.

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

Motion approved.

HON. MR. BARRETT: Continued debate on second reading of Bill 44, Mr. Speaker.

AN ACT TO AMEND THE MINERAL ACT

(continued)

MR. SPEAKER: The Hon. Minister of Health Services and Hospital Insurance adjourned the debate.

HON. D.G. COCKE (Minister of Health Services and Hospital Insurance): Mr. Speaker, as you know I spoke for a brief time before the dinner hour. I spoke about balance and the fact that this bill provides a new kind of balance, an opportunity for government, an opportunity for the people, to provide a fair balance in this industry as is required elsewhere.

Mr. Speaker, we listened with some interest to the Hon. Member for South Peace River (Mr. Phillips) across the floor this afternoon, reviling us with Chile and other areas in the world. Mr. Speaker, it is just completely irrelevant. Why didn't that Member talk about Sweden, and the way they've mastered the production of their resources for the sake of the people in that country.

Mr. Speaker, I believe that as a resident of this country, the kind of ideas that are in this bill, of 50 per cent Canadian directors speaking on behalf of Canadians — these are the kind of things that are important.

They are the same people across the way, Mr. Speaker, who talked about this great government control in the mining industry, but they also are the same people who talk about wage controls. They don't mind wage controls at all. But when it comes to talking in terms of having a balance with industry, then they fear and are fretful — because, of course, there is a very close relationship.

Mr. Speaker, there's an awful lot in this bill that is very strongly in the favour of the people of B.C. and who could help but support it? Mr. Speaker, we support it in every way.

MR. SPEAKER: The Hon. Member for North Peace River.

MR. D.E. SMITH (North Peace River): Thank you, Mr. Speaker. The adjournment at 6 o'clock and reconvening at 8 o'clock seems to have left us with a lot of people who still believe that the House is going back in at 8:30 apparently. Mr. Speaker, we have a lot of empty seats. But perhaps when they come back they will be able to tell us what happened in overtime this evening in the hockey game, if I may be so bold as to suggest that they may be watching the hockey game.

In any event speaking to the principle of this bill, Bill No. 44, we cannot, Mr. Speaker, in my opinion, look at Bill 44 in isolation. If the Opposition has been trying to get any message through to the Members on the cabinet benches, not only in this bill but in others, it is that we do not view in isolation the impact of Bill 44; no more than we can view in isolation the impact of Bills Nos. 31, 19, 20, 35, 36, 42 and 74.

It is the overall impact that these bills collectively will have upon the economy of the Province of British Columbia which must be taken into consideration. It is O.K. that we have to debate these bills one at a time as the rules of the House dictate. We are prepared to do that, to debate them one at a time. But it must be apparent to everyone not only inside this chamber, but to the people whom we represent, that the collective platform and programme of the NDP, as expressed not only in Bill 44 but in many other pieces of legislation to which I have just referred, spells doom for the private enterprise system in British Columbia.

By one means or another it is apparent that this Government is determined to follow a takeover course. I don't care how the Government decides to smoke that particular suggestion up, or how they waffle on the matter. It is apparent that this is a takeover session; that the bills, when they are enacted, will give this Government power completely

[[Page 2500](#)]

beyond anything that any government should have available to them. That is why we stand in our place and bring to the attention of the cabinet Ministers our point of view.

We don't do it to be obstructionists. We do it to try and get through to you on the basis of the thoughts of people who believe there is a better way to handle the affairs of the province; that the Government is in the business of government, not in the business of taking over all of the private enterprise sector in British Columbia.

[Mr. Dent in the chair.]

In dealing with Bill 44 we have just moved one step further down that road. It is obvious to me, Mr. Speaker, in looking at this bill, that it, in one section, will have a disastrous effect upon those people who prospect in the Province of British Columbia.

It would be one thing if the Government could point with a certain amount of accuracy to the fact that the prospector was a thing of the past, that he was extra baggage as far as the mining industry was concerned; that it was someone who is no longer needed in the process of finding and developing new mineral resources in the province. But the Government can't point to that fact. And the reason they can't is that they know that most of the major discoveries of mineral in the Province of British Columbia have been made by those very same independent people who chose that type of life for themselves; who have been prepared to go out into the hills and the mountains and live a very rugged life.

What makes them do that? What makes them carry on? What makes them meet adverse conditions and weather and flies, mosquitoes, hot weather and cold weather? Because they have in their veins, I guess, a feeling that somewhere there is a pot of gold at the end of the rainbow, and that if they work diligently and hard, someday they are going to make the one major discovery. Fortunately it has happened enough times in the past that we still have people who are prepared to make those sacrifices today.

Now, what have we done to this class of individual? Well, this bill makes their job more onerous, more cumbersome and more expensive, if they desire to prospect for minerals in the Province of British Columbia.

So why do we penalize them? They are the most important individuals in the whole process. The prospector is to the mineral industry what the geophysical experts are to the petroleum industry. They are the ones who work the area on the ground, spend their lifetimes in the hills, as I have said, looking for outcroppings and rock formations that have mineral potential. It is a wealth of information and knowledge that has been gathered over a long period of time that they take with them, as well as a prospector's hammer. And it is a desire to find a major discovery that makes them go back into the hills year after year.

The provisions in this bill, Mr. Speaker, put imposts upon them that will make it very difficult, if not impossible, for the prospector, unless he has substantial backing from some company, to continue in his chosen field. So why did the Government find it necessary to penalize individuals? I think the Minister must be aware of the important part they play in the whole process of discovering minerals. He must be aware of the fact that they have been responsible for most of the major discoveries in the Province of British Columbia. And while we have a lot of technological advances today in mining and a lot of electronic equipment, we still really depend upon the fellow who goes out there with a pack on his back to help us find what underlies the overburden throughout the mountain areas of this province.

Now, it so happens that British Columbia is a province with a tremendous area covered by mountain formations. Within those areas we find a fair amount of minerals. But we cannot look at that resource in isolation any more than we can look at this bill in isolation. The fact of the matter is that many other parts of the world are amply endowed with minerals to a far greater and richer degree than our own province. So if we are to develop our resources we must be expert in the field and we must be able to do everything a little bit better than anyone else, because we must compete on world markets for the sale of those resources.

This bill places too much discretionary power, Mr. Speaker, in the hands of the Minister. It allows the government to dictate whether an individual or company can place new discoveries in production and it dictates under what conditions they will place those new discoveries in production. The bill contains unnecessary production lease requirements and imposts upon the small producers that they may not be able to live with. It places the government in a position where they can say to the people who are the original discoverers of a new mineral resource or a new mineralized area, "Go ahead. Work, sweat it out, you do all the work, you take all the risk and we'll come to the area of development and talk terms about the partnership we are going to form. We feel we deserve part of the action."

They can force this into any new development in the Province of British Columbia, because without the sanction and authority of the government that mine will never come into production. If the government insists upon being co-owner of the mine, they can do so under the provisions of this bill. That is why I say, Mr. Speaker, that we cannot deal in isolation with this bill without looking at the whole programme that is laid out in other bills that are

[[Page 2501](#)]

before this House.

That is why, Mr. Speaker, we oppose this type of legislation. It is discriminatory. It places in the hands of one Minister of the Crown power far in excess of anything that he should be allowed to wield. It makes it impossible for developing companies to effectively compete for development capital. Maybe that is just exactly what the government is desirous of, because they can then supply the capital on an equity basis and force the mine into a partnership regardless of how unwilling the industry may be to take the government in as partners.

They do this by legislative process. It's going to have a detrimental effect on the mining industry. We've already seen the results of that. It will certainly make it very, very doubtful whether new mining ventures will come into fruition in the Province of British Columbia. As a result it will mean lost jobs to people who would otherwise be employed in the mining business.

It's the type of legislation which we oppose. Because if we look at the record of the mining industry ...

Interjection by an Hon. Member.

MR. SMITH: The message I just received, Mr. Speaker, is that Buffalo just won. It's nice to know that the series is extended and that Montreal doesn't have everything their own way.

That's what I'm here to tell the Hon. Minister here this evening — a little competition is a good thing.

Interjection by an Hon. Member.

MRS. P.J. JORDAN (North Okanagan): We're not crying. You're the ones who are crying. "Boo-boohoo! No one will do what we want them to."

MR. SMITH: We're the people who intend to provide a little competition with the government in the bills we don't like. We are here to do a job, and I think that regardless of how the government may view it they must realize, having had more experience in opposition than in government ...

MRS. JORDAN: They'll have a lot more, too.

MR. SMITH: ...that they might be able to take a few words of advice from the official opposition now and again on some of their programmes.

Of course, we wouldn't mind a few of your notes on how to be an effective opposition.

HON. MR. BARRETT: Haven't you found that out yet?

MRS. JORDAN: I think we're doing all right.

MR. SMITH: You know, I think we're not doing too badly, Mr. Premier.

MRS. JORDAN: We never lost control of the House like you have.

MR. SMITH: We're not doing that badly, Mr. Premier.

DEPUTY SPEAKER: Would you return to the substance of the bill, please?

MR. SMITH: I thought that that was part of the substance of the bill. As a matter of fact, I thought I was keeping very close to the principle of the bill, Mr. Speaker.

I don't intend to harangue the Minister for any length of time this evening.

HON. MR. NIMSICK (Minister of Mines and Petroleum Resources): You're free to do it.

MR. SMITH: No, I'm not going to pull one of those types of exhibitions and performances that we have seen when you yourself and other Members of the government were in the official opposition.

I just want to say this: what it boils down to, not only in this bill but in many bills that are before this House, is that we hold a philosophy much different from your own. In due time the voters in the Province of British Columbia will determine who made the right decisions. I'm sure that many people — the 60 per cent who did not support the NDP — are as concerned about the principle of this bill as I am myself, Mr. Speaker. We do not intend to

support the bill. We think it is poor legislation.

HON. MR. BARRETT: Mr. Speaker. A point of order. The opposition is constantly misleading us. There was no score — they're back playing again. (Laughter).

DEPUTY SPEAKER: There is no point of order. Would the Hon. Member please proceed?

MR. SMITH: At least we aren't offside, like the Government is all night.

HON. MR. BARRETT: Offside goal?

MR. SMITH: Mr. Speaker, in all charity, I must say to the Minister that we do not intend to support this legislation. I must say this to you, Mr. Minister, through you Mr. Speaker: you do not need Kierans to tell you how to wreck the mining industry in the Province of British Columbia, because in that respect you are doing a very good job yourself.

[[Page 2502](#)]

DEPUTY SPEAKER: I recognize the Hon. Member for Boundary-Similkameen.

Interjection by an Hon. Member.

MR. F.X. RICHTER (Boundary-Similkameen): No, but I would like to speak again.

MRS. JORDAN: Some of your own Members want to speak.

MR. RICHTER: Mr. Speaker, in speaking to the principle of the bill, I don't think it is unrecognized that the *Mineral Act* which we are dealing with at the present time — Bill 44 — did require some updating. It was a subject of considerable discussion when I was Minister of Mines. In fact the Speaker of the House, who was interested in the prospecting and mining field, made certain recommendations to me. Surprisingly enough, they were part of the terms of reference that I referred to a committee of the Department of Mines and Petroleum Resources along with the mining industry to make a complete study of the Act and bring back recommendations to me in the fall of 1972 so that legislation could be promulgated and the Act could be amended as it was needed.

There was considerable dialogue carried on between the industry and the department and good progress was being made up until August 30. After that period it seemed that the committee that was doing the work was sort of side-tracked and no further work was done in relation to studies and work that would have resulted in the type of legislation which would have been both to the advantage of the government and also of the industry. We were asking for input from the outside — the beef cattle growers industry, the mining industry and all industries affected through harvesting of mineral resources.

In the principle of this Act there are a considerable number of measures. There are some policies and principles there that I think government and industry could have done well without.

Certainly there have been a number of increases in the assessment and fee requirements, even down to the free miner's licence. I never could understand why they called it free — it always cost \$5 and the increase in the bill is just about double. It is still not that devastating as the average person can dig up the extra \$5.

But it is in the field of assessment work that many small prospectors just don't have the type of money that will be required now to undertake the work on a unit basis, on the 40 claim unitization. Even when it comes down to possibly 20 claims it is just more money than they have to be able to put into that type of work. Even if they hire the work done by bulldozer, backhoe or whatever it happens to be, this is costly and time-consuming.

The proportion of successful claims that turn into viable mines is certainly not an encouraging percentage. It has been worked out on the basis that about one claim in 100 becomes a viable producer. This is a pretty wide disparity in trying to prove up ground, spending money on a claim for two or three years and then finding out that it

is not a viable claim. While we have had some successful prospectors we have also had many, many people other than Bryn Brynensen, Morris Menzies, Spud Huestis types. These are only a few; these get recognition; these are the successful ones. Now hundreds of other prospectors have prospected their entire lives, but because they have not been able to develop a property to the degree that it becomes a producer so that they can reap some of their rewards, they usually have to sell that property for a few dollars in order to maintain other claims, attempting to find that one strike which would tide them over for the rest of their lives.

Under this new type of policy and philosophy, it looks like a losing proposition from the beginning, in that there are so many ways in the principle of this bill in which the prospector loses his confidence in having some secure form of tenure. Even though it does cost him some money and a lot of work, the fact is that he can be denied a renewal of his lease, he can be denied a production lease, he can be denied the continuation of his mining if it doesn't meet exactly the requirements of the government or if they feel that they can do a better job of developing the mine.

Well, again, we get into the public purse on a high-risk development project. The history of mining in the province has not been all that bright that the taxpayers' money should be put into such high-risk ventures.

There has been a great deal of feedback from the public and the Press. Only today one of the principal papers of the province came out with the headline: "Things Look Slightly Bleak. Jobs Needed as Firms Move from BC as Finders No Longer Keepers in High-Risk Exploration."

These of course stimulate the apprehension. on the part of prospectors, inasfar as venture capital is concerned. They are not ready to risk this. They look for a political climate that is more conducive to the development of the resources. I am confident that we are going to find a very substantial amount of high-risk capital that would have ventured into the province, would have remained here and now will be diverted out of the province.

The mining companies themselves are sceptical. The European metal market has not been good. I think it has been freely admitted here that we are not getting the 70 or 80 cents a pound for copper we used to get. That is a high-priced metal right now as well as gold. We haven't had one producing gold mine in British Columbia since Bralorne closed down after a 40-year run.

[[Page 2503](#)]

So I can't see all this amount of advantage in the basic principles of Bill 44. I think the mining companies have studied it very thoroughly. They have made an analysis of it. They have sought to have clarification of the intent and spirit of the Act, and they still come up with the same answer — that it is just not for them.

There is no question that the mining industry in British Columbia has been a substantial revenue producer for the province. I think the Minister recognizes this, and I am sure the Government wants to have a strong, viable mining industry. But I can't see, Mr. Minister, through you Mr. Speaker, that there is any possibility of seeing an acceleration in the mining field due to this type of legislation.

We know that there are other bills on the order paper that will be discussed in due time. They detract from the mining industry just as Bill 44 does — the basic principles of Bill 44. The powers that are within Bill 44 are very intense as far as the Minister is concerned. The appeal from decisions is not all that great. Consequently a great deal of apprehension is evident today, not only in the mining industry from the standpoint of exploration and development, but from the point of view of investment capital — risk capital to develop the resources.

We had, only within the last year or two, a very devastating drop in the price of copper. Some mines were operating at probably a differential of about one cent between their cost of production and the value they were getting for their copper. This really is not an encouraging situation as far as placing risk capital out for the development of mines. Some of them, because of the low-grade ore, because of the fact that molybdenum, which was an anomaly in the production of copper from some of our producing mines — it was a glut on the market, the copper itself.

Had it not been for a little gold and silver that was also brought out through the mining of the copper, which

was the primary objective, they certainly would not have been able to make both ends meet.

Only in this last year, when you read the financial statement of Brenda Mine, probably one of the lowest-grade copper producers in the mining field in British Columbia — they didn't make any type of profit — they made a loss. Now you can only stand this sort of a loss for so long, and they closed down.

So the mining industry hasn't been all that lucrative, or the contracts that they have for their metal. Unless we get some refining, and certainly fabrication of the metal within British Columbia, we could find ourselves one day without markets. This is due to the fact that other countries who have higher-grade ores have better mining costs, due to the fact that it is not costing them as much for the production of the product. They are getting certain government subsidies and assistances. These in themselves certainly place British Columbia in a very difficult position as far as being fully competitive is concerned.

There is nothing we can do about that but to try and assist the industry to be able to produce at a rate which will provide them with the opportunity to compete in the open world market. We sell based on the European metal market, and that is our barometer of prices. Consequently we see the mining industry today in almost a position of having a heavy cloak brought over them to the degree that they are thinking very seriously of cutting back on development of new properties.

Certainly they are not going to close down their existing operations, but as these progressively are mined out, no new mines will be coming on the scene for the years henceforth. It takes anywhere from five to eight years to develop a producing mine. If we run out, as we will on some properties within the next two years, we are going to find a period of time in there in which we will not have sufficient time to develop producing mines.

Now what does this have to do with the principle of this bill? The principle of this bill, because of the very strong measures that are incorporated into the bill, leaves something to be desired as far as the mining industry is concerned — in seeing their security maintained, in controlling their properties after they have brought them into production and have the production lease.

In previous years, under the existing laws, there has been no question in their mind but what they could move along. As long as they met the regulations which were set out in relation to their reclamation programmes, their recovery, the fact that they carried out proper mining procedures, they felt a degree of security in that they are able to work their properties and make a contribution to society.

Now they are already taxed, and this will be discussed further in another bill. They already bear very heavy costs compared to other industries such as the wood industry, where you can actually see the resource right on the ground. Certainly the mining field is not one which you can determine exactly. Even to delineate an ore body takes a very substantial amount of capital and a great deal of work. And it takes the little prospector who, in the past, through the grub-staking fund, or on his own, or who was sent out by mining companies, explores the various areas which would be almost inaccessible to any other type of access other than foot-slogging it, or packing in with their pack animals to a point from which they work.

However on the other hand, large companies can use helicopters, and equipment of that nature. They can explore the outer regions and particularly the heavily-mineraled areas of the Omineca and Atlin areas. This is done pretty much by helicopter. But it is only a large company that can afford that sort of

[[Page 2504](#)]

exploration. The little prospector is absolutely locked out. In the first place access is not that much to his advantage, because distances are long, supply posts are a very great distance from the areas that they are working; so it is virtually impossible for them.

But there are many areas that they can work throughout the province, and it is a very large province to prospect in, and it is very heavily mineralized. We still need this man who is prepared to go out and face failure after failure, and occasionally make some success. But we need these in numbers, so that we can locate the minerals of the

province, so we can develop the ore bodies, so we can secure the benefits in the interests of society and government.

It is well known that government has many obligations in which they depend on a source of revenue. If it's the mining industry that helps the social services of the province, well then certainly this is an area in which we shouldn't deter from greater development.

There are a good number of measures within Bill 44. I feel that it's a piece of legislation we could have well done without at this particular time. I would have liked to have seen a little more dialogue between industry and government — when I say government, I mean the Department of Mines, the personnel within the Department of Mines. I would have liked to have seen a little more in-depth study before we entered into any type of legislation such as we have, because it's my understanding that should there be a fall session — which we're led to believe that there will be — there'll be additional amendments brought in.

AN HON. MEMBER: We'll still be here.

MR. RICHTER: Very likely we could be. I don't mind it here, you know — it's not all that bad. I don't object to doing the people's business — and if it takes until fall I don't mind, because I've got nothing else to do anyway but do their business for them.

I'm not quite so fortunate in being able to go out and visit the mines. My successor has that prerogative now and I'm sure that he'll enjoy it. I'm sure that he'll go out and do his bit. He's already entered in this sort of a field as other cabinet Ministers are. They like to ride in the silver bird and I'm sure that it will be educational to them if nothing else.

But this particular piece of legislation — I would have hoped that the government would have a little more time to study it; do a little more input; possibly have had a committee do a bit of work on this — get out there in the field and see what could be done. See the actual operations on the ground.

Interjection by an Hon. Member.

MR. RICHTER: I certainly broadened my spectrum of knowledge, as far as that is concerned. I visited the Bralorne Mines — the tunnels were 125 degrees Fahrenheit, depth 1,800 ft. below the Burrard Inlet. These were experiences. This is what should be done. But I would like to have more Members have the opportunity to go out and see these things.

I would have thought that if this bill had been brought in as it is, referred to a committee and let them have dialogue with the industry, then come back in the fall — then we would have been able to bring in a more comprehensive piece of legislation.

Now it's going to be piecemeal because if we come in again in the fall and start amending this all over again, I wonder just what advantage will have occurred in the mining industry and to the government.

There are many predictions coming out in the Press. "B.C.'s mining consultants predict slim months ahead." This could be. If exploration development capital is withheld, certainly there will be a considerable loss of opportunity for jobs — particularly university students, and other geologists, geophysicists and so on who would have been able to work this summer and compile their notes and so on during the winter. This is a very common practice.

I have to say that I personally will have to oppose this legislation primarily on the basis that I think that better legislation could be prepared if a committee could have studied it. With dialogue with the mining industry — some input from the mining industry — then I think we could have come up with a piece of legislation which would certainly improve the existing Act substantially. At the same time, those who felt that the present Act was not meeting their requirements would have had an opportunity, particularly the beef cattle growers, to have made a contribution. Certainly I think we would have been doing a little better job.

I have to look at Bill 44 — very honestly, I have to look at it in this way, that it was a known fact that in the years that I had as Minister, certainly a great deal of contribution was forthcoming from the various Members in the House. It was through this and other input that I set up that committee which was doing the study and got sidetracked somewhere along the way after August 30.

[Mr. Speaker in the chair.]

MR. SPEAKER: I recognize the Hon. Second Member for Vancouver-Point Grey.

MR. G.B. GARDOM (Vancouver-Point Grey): Oh, how kind of you!

Interjections by some Hon. Members.

MR. GARDOM: How kind of you. Thank you very much. Two witches.

[[Page 2505](#)]

Interjections by some Hon. Members.

MR. GARDOM: Mr. Speaker, one thing is very paramount about this bill. It's not going to bring down the government and it's certainly not the last straw, but it's just another load on the back of B.C. citizens. It's another infringement upon rights; it's another infringement upon initiative. It's another burden, another restriction. It's another example of the hampering of development. It's another step, I'd say, towards the hindering of a flourishing economy. Most of all, it's another very demonstrative indication of the centralistic and regulationistic, impersonal and all-governmental direction of our B.C. socialists.

At times, Mr. Speaker, the business community and the working community, and even some of the opposition Members appear to be somewhat mystified as to the socialistic direction. And they shouldn't be, because the socialists have laid some of it down in black and white — and they're pretty much cultists when it comes to following that which they have written.

We find in the material that they have put out before their entering into the election campaign last year — they talk about an economy for people. They say that they're going to establish this, "by establishing full public control — full public control over our resource sector."

Good heavens, this doesn't disturb, you see, the most powerful Minister in the government and the gentleman I suppose most responsible for shaping some of the more dramatic philosophies that are coming across in the legislation. But this doesn't disturb him. This makes him content and happy. He sort of feels like Father Christmas; but the intent of Father Christmas was to give and not to take.

You know, if we divided society into two sorts of people, givers and takers, I'm afraid that the Hon. Minister of Lands, Forests and Water Resources (Hon. Mr. Williams) would fall well within the category of a taker.

Secondly, if you just take a look at the second little bit of cult that we have, and that's in the Waffle manifesto. And they talk about the instruments for bringing the Canadian economy under the control of Canada. They say, "including extensive public control over investment and nationalization of the commanding heights of the economy such as the key resource industries, finance and credit, and industries strategic to planning our economy."

So this is just a very, very clear step. This is a small one, but again, a very clear one and just another one towards a very firm establishment of the policies which the socialists propose.

You know there is one thing that they're missing in, this and that's this: that this New Democratic Party, Mr. Speaker, came out of the last election with 40 per cent of the popular vote. That 40 per cent of the popular vote, Mr. Speaker, was just about a 10 per cent negative vote, and that 10 per cent eroded very quickly after they achieved office. That brought them down to about 30 per cent. And I would say that after the legislation that has been proposed and not even yet passed in this House, that they'd be awfully lucky if they were hitting 22. There's the

greatest example of a runaway ship — boy oh boy!

It's going to be very interesting to see whether or not the general public in B.C. have a cumulative memory — perhaps they'll never have one to the extent of the labour movement — but if they've got a cumulative memory that will run the better part of another three years, what indeed will be happening come the next election? Where are all of these fellows over there and all of the people that they happen to be appointing to their commissions and board, what are they going to be doing?

MR. D.M. PHILLIPS (South Peace River): Mass unemployment. (Laughter).

MR. GARDOM: My friend from the Peace is advocating that they should stay in because if they went out there would be more unemployment than we have ever seen in the province before. It's probably a very, very valid premise indeed. It certainly is.

I think that this bill and others that are coming in this session are going to end up being very, very early indicators of the fact that your public acceptability is running out very quickly. If you'll pardon the metaphor, it's running out drip by drip and the drips are getting larger all the time.

MR. SPEAKER: A point of order?

HON. MR. BARRETT: I don't think the Member should sit down until he at least speaks on the principle of the bill. (Laughter).

MR. SPEAKER: Why should he be different? (Laughter).

MR. GARDOM: On a point of order, Mr. Speaker. When you were elected you promised you wouldn't fly any more. (Laughter).

MR. SPEAKER: The Hon. Member for Langley.

MR. R.H. McCLELLAND (Langley): Mr. Speaker, I just want to say a few words in support of the miners in Langley. The health Minister (Hon. Mr. Cocks) talked about balance, Mr. Speaker. Well, I'd say they've got the mining industry balancing on a

[[Page 2506](#)]

tightrope. It's going to fall off and you'll never be able to put it back together again. You're wrecking the mining industry — at least this bill will wreck the mining industry. The people you're picking on hardest again, as with so much of the legislation that's coming from that side of the House, are the small miners, the prospectors and the little companies that can't look after themselves.

The big companies can take care of themselves. They can weather any kind of storm that happens to come up. But the little companies and the single prospectors just don't have a chance.

I wonder if they honestly think, Mr. Speaker, that they can keep hitting and hitting and hitting at so many segments of business and industry with more taxes and more abuses all of the time without the economy falling apart? It just can't be done.

Business and industry in this province are saying that enough is enough. Lay off. You've done enough damage now. Back off for a while. Take this bill and put it over until the fall at least. Send it out to committee if you have to. Better yet, tear it up and throw it away.

Mr. Speaker, this Government seems to be bent on a deliberate course of causing unemployment in the Province of British Columbia. The people in the mining industry have already told you that there are 500 men out of work right off the bat and that the prospects are for more over the next few months. If that's not a course bent on creating unemployment, I don't know what it is. You're putting people out of work in every kind of industry in the

whole province, Mr. Speaker.

What kind of terms are you going to demand from the miners before you'll grant them a production lease? Are you going to demand an equity in their company? Is that what you want? If they prove out a good find are you going to say to them, "O.K. fellas, you can have your production lease but we want our share. We want 50 per cent of the company, we want 60 per cent of the company"? Or do you want to just shove them out altogether?

Interjection by an Hon. Member.

MR. McCLELLAND: More than your share is what you want, Mr. Minister. The Member on my left described you very well when he referred to you as the "grey eminence" of this kind of legislation. You want far more than your share and you're taking far more than your share.

Interjection by an Hon. Member.

MR. McCLELLAND: It isn't red at all. It's maroon. Mr. Speaker, I don't understand why the people on the other side of the House would think that a company would even want to risk their money when the Minister of Mines will hold their future in the palm of his hand. What's the point? What's the point, Mr. Speaker, of a government going out and risking its hard-earned money? They take all the risks and you take all the gravy. That's a pretty good deal.

The Minister, Mr. Speaker, said that he held meetings with the miners. I agree that it was reported that he did hold meetings with the people from the industry. He was telling the truth.

AN HON. MEMBER: He did all the talking.

MR. McCLELLAND: But he sure didn't listen. He didn't listen at all. You held meetings with people, you let them talk with you. What's the point unless you're prepared to listen and take some good advice from the people who know?

The new president of the mining association, Mr. Speaker, was part of that input I suppose. He was here talking and making suggestions. Do you know what he said, Mr. Speaker? He said, "We just wasted our breath. It didn't do a bit of good."

That sounds very familiar, Mr. Speaker. It sounds extremely familiar. I can think of another piece of legislation that came before this House — Bill 42 — in which this Government didn't listen to the farmers. You haven't listened to the people in local government. You haven't listened to the people at all. If you're not prepared to listen, what's the point of even having meetings with people? It just doesn't make any sense.

Mr. Speaker, something else is becoming very familiar too with this Government, because just as this Government keeps passing punitive legislation that strikes hardest at the small businessmen in this province, so you're striking out at the individual prospector again, and the small mining company.

I notice, Mr. Speaker, a report in one of the newspapers not long ago from once again the new president of the mining association — I believe his name is Mr. Tupp. He had a very telling point when he said that he welcomes the government's entry into the mining business. Make no mistake, Mr. Speaker, that's what the intention is. The government is going to get into the mining business in a big way. They're going to force their way in by punitive measures. When you come to get your production licence you're going to find yourself in partnership with the government.

Mr. Tupp says he welcomes the government into the mining business because there's no quicker way, Mr. Speaker, of finding out the facts of life than losing your own money. That's what you're going to do. The Minister of Mines is going to find himself along with every other department of this government throwing money down the drain — money after money after money. It really isn't your own money, in case you didn't know. It happens to be the

taxpayers' money. It belongs to all of us. You're trustees of that money only.

The president of the mining association also said, Mr. Speaker, that whoever wrote this Act didn't know a thing about the industry. It was written by a "socialist theorist." Those are his words and he's right on, Mr. Speaker, right on. Because the basis of this legislation is what is good socialism, not what is good legislation or not what is good for the mining industry. It's all based on what is good socialism.

MR. GARDOM: Old-fashioned socialism.

MR. McCLELLAND: Old-fashioned socialism it may be.

Mr. Speaker, he's not in the House at the moment, but the Member for Oak Bay (Mr. Wallace) earlier today said that business doesn't trust government, whether it's NDP or Tory. Well, I don't buy that, Mr. Speaker, for one minute. I think business will trust government if government earns that trust and if you give them something to trust. Mr. Speaker, this government is giving them nothing to trust and nobody trusts them any longer.

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

HON. MR. NIMSICK: Mr. Speaker, the last speaker said that we did not listen. The previous speaker — the former mines Minister — I appreciated his remarks very much. He said there was a committee working with the industry. That committee continued to work and it's still working towards the complete review of the Act. So when you say that it was sidetracked, I don't know where you've been. Somebody has been giving you the wrong information.

When you speak of the mineral industry as a big revenue producer to the government, I don't know how you figure it out. When you figure out the direct revenue to the government and subtract from that what we spend in the mining industry, we get about 2 per cent revenue from the mining industry.

You spoke of the copper being low. When I came in copper was 47 cents a pound. Today it's up over 60 cents a pound. Molybdenum is on the increase. When we speak of the prospector, I've got every sympathy for the little prospector. There are very few of the little prospectors left.

MR. PHILLIPS: There's over 1,000 of them.

HON. MR. NIMSICK: When I find some prospectors tell me they've got 100 claims which is 5,500 acres of land, I think that either they've got more claims than they need or they're working in conjunction with some big company. Because most of the prospecting today is done by air.

When you speak of Mr. Kierans, he had no input into these amendments at all. So you might as well rest yourself there because I have never read any articles from Kierans before these amendments were put forward.

When we talk about equity, I remember Mr. Gibson in this House, the former Liberal Member, when he advocated that we should have an equity in all our forestry management licences. He advocated that, that we should have an equity because we own the resource, and in regards to mining, what would be wrong with the people that own the resource having an equity? If any one of you, or any one of us owned a mine, and it was going to enter production, somebody wanted to put it into production, the first thing we would ask him is, "What is in it for us?" And we as the people of British Columbia, we want to know what is in it for us, if we are going to let these mines out.

Interjections by some Hon. Members.

HON. MR. NIMSICK: It is a two-way street in this thing, and some people believe in participatory democracy, you know, and there is a two-way street, when you are discussing these things. Just the same as a private individual and a company we are discussing this back and forth. But why not do it that way?

The Hon. Member for Victoria said that we have 14,000 men working in the mines. We had that many two years ago, and we produce a lot more minerals today than we did then. So actually as a job producer, the resource industry of mining doesn't produce the jobs that it should be producing, and with the automation that is coming on, it takes more tonnage every year to give one man a job.

The Hon. Second Member for Victoria was talking about the Waffle manifesto. I've been in this movement long enough that I could write a manifesto myself; I don't have to wait for any professors. I don't have to wait for a professor to hand me a Waffle manifesto. I can write a manifesto.

Interjections by some Hon. Members.

HON. MR. NIMSICK: I would like to get the record straight, Hon. Member for Victoria. I'd like you to have the record straight. The other day when you asked me about whether we had anybody working in regard to setting up a Crown exploration corporation, I said "No", and that was correct.

Last fall I had an interest in it, I mean I discussed the matter about having an exploration company, because I think there is merit to it. But at that time we were so busy, so we dropped it. And it might come up again, so don't be too worried if it does come up again and we have such a corporation.

[[Page 2508](#)]

Then we talk about the power of government. It's the highest court in the land, don't forget. Government has power, and you know that. You know government here can do almost anything if they want to. But they won't last long if they don't do the right thing. (Laughter). They won't last long.

I was surprised at the Hon. Second Member for Victoria (Mr. D.A. Anderson) when he talked about creaming of the mines, and the life of the mine, and taking out the low-grade ore along with the rich ore. That's exactly what this bill is all about.

Interjection by an Hon. Member.

HON. MR. NIMSICK: All you've been doing is reading the stories and the letters and the briefs from the mining industry. And how would you get anything else out of it? You wouldn't get anything else.

Interjections by some Hon. Members.

HON. MR. NIMSICK: And they can read sinister things, anybody can read sinister things into anything, and I don't care what kind of an Act you bring up here, or a bill — somebody can read something sinister in it. That you are really plotting something beyond what you intend. They try and read between the lines.

Well, I'm one of those straightforward fellows and what I put down I intend to follow.

AN HON. MEMBER: But you won't be there forever.

HON. MR. NIMSICK: When you're going into these leases that we're talking about, these production leases, there's nothing in the Act and nobody mentioned it. I couldn't find anything in the Act saying that we would stop a production lease, providing they fulfil all these plans.

Interjections by some Hon. Members.

HON. MR. NIMSICK: Well, what are we going to do? What are we going to do if we don't have some regulations. If we don't have some place where we know how they are going to operate — then there's no use in our trying to be a government. Don't forget that. We want some input into this, and I think the Hon. Minister of Health was right when he said we are trying to get a balance.

This is the first time that the citadel has ever been breached, and it's going to be breached. The people of

British Columbia are going to have a say in the depletion of this resource.

AN HON. MEMBER: Let's give some marks for the old days.

Interjections by some Hon. Members. (Laughter).

HON. MR. NIMSICK: Listen to the industry? I've been listening very carefully to the industry, and the more that they came up the more convinced was I that I am right in regard to this bill and the production leases that are in this bill. The more I'm convinced I'm right.

And listening to some of those long speeches today, at the start I might have been teetering a little bit, but after they got through the four hours I was sure I was right.

Interjections by some Hon. Members.

HON. MR. NIMSICK: Now they talk about stockpiling ore. Is the government going to stockpile ore? Well, I wish to goodness we had a stockpile of a million tons about six or eight months ago because we'd make some money on it today. So that would be fine.

Now, Mr. Speaker, I've enjoyed this debate. (Laughter). At least the last 10 minutes of it. (Laughter). And the information that I got from across the way since the debate started, I'll be able to give that consideration in the next 10 minutes. And with that I'm going to move second reading of this bill, Mr. Speaker.

Motion approved on the following division.

YEAS — 32

Macdonald Barrett		Dailly
Strachan	Nimsick	Stupich
Nunweiler	Nicolson	Brown
Radford	Sanford	D'Arcy
Cummings	Dent	Levi
Lorimer	Williams, R.A.	Cocke
King	Calder	Hartley
Lea	Young	Lockstead
Gorst	Rolston	Anderson, G.H.
Steves	Kelly	Webster
Lewis		Liden

NAYS — 15

Richter	Bennett	Chabot
Jordan	Smith	Fraser
Phillips	McClelland	Morrison
Schroeder	Anderson, D.A.	Williams, L.A.
Gardom	Brousson	Wallace

PAIRED

Hall McGeer

Bill No. 44 referred to a committee of the whole

[[Page 2509](#)]

House at the next sitting after today.

HON. MR. BARRETT: Second reading of Bill 47, Mr. Speaker.

MINERAL PROPERTY TAXATION ACT

REPEAL ACT

MR. SPEAKER: The Hon. Minister of Mines.

HON. MR. NIMSICK: Mr. Speaker, nobody needs to worry much about this bill. This bill is the *Mineral Property Taxation Act Repeal Act*. It's an Act that was passed by the Social Credit government back in 1957, I believe, with the hope that they could get some taxes out of our Crown-granted mineral claims. It went to court and it was ultra vires.

So there's no use leaving it taking up room in the book. I move second reading of this bill.

MR. SPEAKER: Any debate?

MR. D.A. ANDERSON (Victoria): Mr. Speaker, this is the first Act we've had which cuts a tax, even though it's an ultra vires tax. (Laughter). We'd like to say that this is a principle that we approve of. Furthermore, it saves paper, which is conservation at its best.

So we hope that even though this Act didn't raise any money and it's ultra vires and it's thoroughly useless, the principle of cutting taxation, or at least considering it, will hit home in the government in other taxes which hit people a little harder. We trust that this is simply the one very, very narrow bit of silver lining on a very dark cloud which is coming from the Minister of Finance. We certainly approve of this.

MR. SPEAKER: May I say that was the Hon. Second Member for Victoria, in case *Hansard* wondered. The Hon. Premier.

HON. MR. BARRETT: After that speech, I want the Minister to reconsider his position. (Laughter).

HON. MR. NIMSICK: Question, Mr. Speaker.

Motion approved; second reading of the bill.

Bill No. 47 referred to a committee of the whole House at the next sitting after today.

HON. MR. BARRETT: Second reading of Bill No. 64, Mr. Speaker.

MINERAL LAND TAX ACT

MR. SPEAKER: The Hon. Minister of Mines.

HON. MR. NIMSICK: Mr. Speaker, Bill 64 is the *Mineral Land Tax Act*.

HON. MR. BARRETT: Is it ultra vires too?

HON. MR. NIMSICK: This is the dark cloud that was just coming up over that silver lining that he was talking about. (Laughter).

This is a tax that we're going to place on privately-owned mineral rights. There are 9,600 Crown-granted mineral claims comprising about 300,000 acres in the Province of British Columbia. In addition to this, there are over 8 million acres of railway grants where they have the right to the minerals.

We propose three tiers of taxation. The first one ...

AN HON. MEMBER: T-e-a-r-s. (Laughter).

HON. MR. NIMSICK: The first tax would be on the total area. It would be from 25 cents to \$1. If you owned over 1 million acres of land, you'd have to pay \$1 an acre. If you owned a small amount of land, you'd have to pay 25 cents per acre in tax.

Within the total area there are producing areas. These are potentially producing areas invariably surrounding production areas. The tax on these would be \$2 an acre. This is in the Act.

Then there are production tracts. This is where there's a producing mine. The tax in this regard, for the first year after the Act goes into operation, would be a maximum of 12 1/2 mills. The second year it would be 25 mills. That's the highest it can go under the Act. This is outlined within the Act.

There is an appeal board where you can appeal your assessment, because this 12.5 mills is against an assessment that will be designated by the administrator. It will be based on the production of minerals. There is also tax deferment in regard to this production tract. If a mine is operating on a margin or at a loss, the tax payment can be deferred from year to year by application to the Minister. It would become a debt against the mine, but grounds for deferment would have to be shown.

Mr. Speaker, this is the first time that we are trying to get some return from the mistakes made many, many years ago when we alienated great areas of our province. That's the mineral rights. Some of those mineral rights in Crown-granted claims are being held for generation after generation. Nothing is done with them but they're being held because they're Crown granted. Now we are in hopes that many of those will come back home if they've got to pay some tax.

I move second reading of this bill.

MR. SPEAKER: The Hon. Member for South

[[Page 2510](#)]

Peace River.

MR. PHILLIPS: Thank you, Mr. Speaker. Just a few words in passing on this bill. I want to say that I certainly enjoyed the Minister's closing remarks on Bill 44. They were pretty humorous. But the smile will soon disappear, Mr. Speaker, when the realities come home to roost and the popcorn starts to pop.

Mr. Speaker, before discussing this bill, I have to say at the outset that it's another one of these bills that's 14 pages long. A fantastic note of explanation at the back of it says, "This here enacts the bill... (Laughter)... and does not become part of the bill." However, Mr. Speaker, maybe someday when the Government introduces some of its legislation, they'll put a few explanatory notes on it for laymen like myself.

Another thing that's familiar in this bill, Mr. Speaker, is the right of the Minister and his colleagues to designate. This seems to be following pretty well along the same course of all the legislation introduced this session.

The only problem that I can see with the bill — and I think that the Minister's probably right in respect to some of the old treaty land and taxing. I'm not going to say that I disagree with that. However, it's another case of

while you're getting some revenue from those lands, you're also going to hurt the most crucial area of resource exploration by other companies.

It radically raises charges on active explorers, whether inside or outside of this railway belt. For example, a company exploring on 40 claims of land in an area designated as highly mineralized, but not necessarily producing, might currently be paying about \$400 per annum for its lease on top of its exploration costs. Bill 64 would put this up to \$3,200. Many companies, particularly the smaller ones, could not bear this charge for property that would still be a long way away from producing.

So this is an area that hurts, Mr. Speaker. It also may prevent key exploration in marginal areas. Companies will think twice about picking up and doing work on claims that are anything less than high grade.

Mr. Speaker, the bill also leaves the implementation wide open to inequities. The designation of each of three types of mineral area is far too arbitrary, Mr. Speaker. It's that great power of the Minister again. The legislation gives the power to the cabinet to designate any portion of the province as ordinary mineral land, as a production area or as an active production area. This power of designation can have a detrimental effect on developing mines. This takes away, Mr. Speaker, the counterbalancing forces of cost, supply and demand as factors in the development of a land holding and inserts instead the arbitrary judgment of a politician.

It does nothing to increase the number of claims that would be worked under the old rules. But it will obviously economically veto ones that might have been worked but now get over-optimistically classified, Mr. Speaker. Ore bodies that are marginal in a generally producing area may get punitive treatment.

HON. MR. NIMSICK: How?

MR. PHILLIPS: Because of your power, that's how.

Interjection by an Hon. Member.

MR. PHILLIPS: No, it's not. Most companies control a range of ore bodies whose development into mining status depends on trends in prices and costs. The Act will ...

AN HON. MEMBER: Author, author.

MR. PHILLIPS: You're looking at him. (Laughter).

The Act will penalize companies for holding bodies which it is not yet economic to develop, but in which the company has invested great sums of money to find and prepare. This is the ultimate blow to the mining industry in British Columbia, Mr. Speaker. I have to quote the secretary of the B.C. and Yukon Chamber of Mines ...

SOME HON. MEMBERS: Oh no!

MR. PHILLIPS: An article in the paper ...

AN HON. MEMBER: Who wrote it?

MR. PHILLIPS: Don't be so quick to jump. I mean, my gracious. You go ahead and laugh. I'm quoting him when he says, "Do you think anyone will be nutty enough to invest money in B.C. mining now?" Now go ahead and laugh,

HON. R.A. WILLIAMS (Minister of Lands, Forests and Water Resources): That sounds like you.

AN HON. MEMBER: You're on the wrong bill.

MR. PHILLIPS: No, I'm not on the wrong bill at all.

AN HON. MEMBER: Sure you are. We don't give Crown grants.

MR. PHILLIPS: As a matter of fact, I'm going to say something good about the Government in just a few moments, or I'm going to quote somebody who said something good about it.

[[Page 2511](#)]

HON. MR. BARRETT: Now we know you're on the wrong bill.

MR. PHILLIPS: Yes, I'm on the wrong track too. But I'm fairly serious about this.

It's another taxation statute, Mr. Speaker.

HON. MR. BARRETT: It's on Crown grants.

MR. PHILLIPS: No, just a minute. Here's the Premier butting in and interrupting me again because I think I've found the truth behind this bill. That is the power of the cabinet to designate any type of production area, to designate what the taxes shall be. That's the ...

HON. MR. NIMSICK: Wrong. Privately-owned mineral lands.

MR. PHILLIPS: I know it's privately-owned mineral lands. I'm well aware of that. I want to quote just shortly and briefly from an Article. It's from the Vancouver *Sun* dated March 30. It was on the financial page. It says: "Mineral Land Tax Hits Railways," which is, as I say, no problem. "Millions of CP-CN Acres Hit by New Legislation." This article quotes Norman B. Keevil, Jr., executive vice-president of the Vancouver-based Tech Corporation Ltd., who has met Premier David Barrett. He said:

"Two of the toughest jobs in today's world are running a mining business and running a government. Too many people in the mining industry fail to recognize that Mr. Barrett and his band are sincerely trying to do what they think is best for the province."

That's what this man says. The problem is, of course, what they think, based on their philosophy. This is where the man is not quite right.

"For their part though, I think too many of the NDP fail to recognize the equal sincerity and good intention of the mining industry at large and consider it populated only by rip-off artists."

There's the problem. Because every time the Minister or the Premier stands up, we've got to damn business, we've got to damn profits. This is where they're wrong.

AN HON. MEMBER: Damn rivers.

MR. PHILLIPS: Rivers? Well I wish we could dam your river.

"For their part though, I don't think there is any need for the industry and government to join in a fight to the death. Instead, they could get together and work out a set of policies that are good for the province."

That, Mr. Speaker, is exactly what I recommended this afternoon. But they're not doing it. They bring in their legislation in a dictatorial manner. They're not going to listen. They're not willing to change it when they find out what the reaction is, particularly on Bill 44.

AN HON. MEMBER: Did we come back to listen to you for four hours?

MR. PHILLIPS: No, I'm just about finished. I said more in that four hours than you've said in all the time you've been sitting here in the Legislature for the last 30 or 40 years. How long have you been here? (Laughter).

Mr. Speaker, this article goes on to say: "What is good for British Columbia in the long run is good for the

mining industry too. At the same time, what is bad for the mining industry will be even worse for the province."

This is from a man who is looking unbiasedly at the government and how they're handling the mining legislation. It's unfortunate that the Government opposite, Mr. Speaker, does not realize this.

"Keevil suggested both the mining industry and the government throw away the chips on their shoulders and get down to serious, quiet dialogue."

What did I recommend this afternoon? I said there had been animosity created by this government in the mining industry. Don't tell me, Mr. Speaker, that there hasn't been because I've seen it. I've listened to it.

" 'If the government doesn't like the old rules of the game, then perhaps new ones can be worked out that are both fair and productive.' The Tech executive said the new tax legislation and the amendments to the Mineral Act could be set aside for a time and the powers used for a frank exchange of ideas. 'Both the industry and the NDP might be pleasantly surprised at what could be accomplished by this.' "

I'll make the same request about this bill as I requested about Bill 44. There are things in this bill that are going to be detrimental to certain mining exploration companies. I think before you get out the big stick to beat around those railway lands and the big companies that are in them, you should take a real, honest and sincere look at how it's going to affect the smaller companies as well, Mr. Minister.

I know that the Minister, being a conscientious man, will do just exactly what I have asked him to do.

Thank you very much, Mr. Speaker.

MR. SPEAKER: The Hon. Second Member for Victoria.

[[Page 2512](#)]

MR. D.A. ANDERSON: Mr. Speaker, this is another of the mining taxation Acts for which no justification has been given in terms of the need to raise revenue. The object must be elsewhere as we have, of course, a surplus, a substantial surplus, and if the object were to raise revenue I would like to see at least companion legislation elsewhere reducing taxation elsewhere.

We appreciated the Minister's previous bill, where he pulled back on a taxation bill which, of course, had never been in force.

HON. MR. NIMSICK: I appreciated your remarks.

MR. D.A. ANDERSON: He appreciated my remarks. Well, the irony of it is that the fellow who sits next to him, the Minister of Agriculture (Hon. Mr. Stupich), put in a bill which he told us was ultra vires in the House, and then asked us to vote for it about a week ago. A very strange situation. I trust the Minister of Mines will talk to his colleague. The Minister of Mines is more clearly concerned with the constitution than the Minister of Agriculture. But that's by the by.

This is another mining tax and the effect of it is to tax minerals in the ground, as far as I can see.

Interjection by an Hon. Member.

MR. D.A. ANDERSON: Well, it may be the only one, but there are other things in your other legislation, Mr. Minister. I appreciate your comments. There are other things in your other legislation which I've commented upon which have the effect of raising costs for companies in the mining business.

The effect of taxing people who own land and who have minerals on that land is, of course, the exact reverse of what we understood was Government policy when they said, "Look, if this generation doesn't know enough about it, some future generation will, and we don't care if it's kept in the ground."

Now you're putting an incentive on getting it out of the ground fast.

The Minister shakes his head. But what is the other thing that you can read into it? What other interpretation can you read into this bill when on a year-by-year-by-year basis you're taxed if you leave it in the ground. You're taxed if you don't exploit it. If there is any other explanation for section 4 of this Act where it says "Mineral Land Tax" then I'd like to know it, because the Minister certainly hasn't given it to us now.

I'm simply delighted to see that he's picked up the bill and is now about to read section 4 once he turns the page and finishes with section 1.

The fact of the matter is it seems totally contradictory in terms of what you've told us in the past.

You've said that it's better to leave it in the ground if this generation hasn't got the brains to use it properly. That's a reasonable point of view. Now you turn around and you say that when you leave it in the ground we'll tax you. Thus, you are making an incentive for early exploitation, because there is no other way you can interpret such a provision as is in section 4. Of course section 5 goes on to tell you that once you get going in your production you won't have to pay taxes under section 4, under the minerals-in-the-ground provision.

I don't really know what's in the Government's mind. It's getting more and more confusing. They load taxes and regulations and open-ended blank cheque legislation on the mining industry, and items such as this one. It's totally contradictory to what they've told us in this House and the mining industry and the public outside this House, as to what their intention is for this particular industry in this province.

Mr. Speaker, we just don't see that there is any reason to vote in tax measures of this nature when they are not explained at all adequately in the terms of the need and when there is no countervailing reduction in taxes elsewhere if this is to be revenue generating tax; when the objective appears not to be to raise revenue but to force exploitation.

So we, again, find it very difficult to accept this one. With regret to our friend the Minister, we're going to have to vote against it.

I would just like to give him one word of praise ...

Interjection by an Hon. Member.

MR. D.A. ANDERSON: I voted for your last one. Were you relieved?

I would like to give him a word of praise when we get down to the provisions for the Tax Review Board. There at least this Minister appears to have heard the voices of this side of the House when dealing with procedures before boards. "To an extent," my Hon. friend from Point Grey suggests. That's right. At least there is a suggestion there that procedures should be set down not by the board itself — that's the review board, before whom the poor people who are affected will have to appear — but by some other body which, in this case, happens to be the Lieutenant-Governor-in-Council.

It's not much of a step up, because we don't have much faith in the Lieutenant-Governor-in-Council at this stage. Much as we like his Honour, we think he is badly advised. The point I would like to make is that we do appreciate the fact that at least you've got away from having the same board to whom people have to appeal making the regulations, making the procedures for those people who have to appeal. And that's a step up.

[[Page 2513](#)]

Apart from that there is not much to be said in favour of this Act, although we have read it very carefully. We would like in the Minister's summing up a far more detailed explanation of why the revenue is needed — if it is a revenue statute. If it is not, why is there this deliberate attempt here to force production early when the Government, and in particular the Premier, have been making statements which are quite contradictory to what is the purpose of this Act?

MR. SPEAKER: The Hon. Member for Oak Bay.

MR. G.S. WALLACE (Oak Bay): Mr. Speaker, this party opposes Bill 64 for basic reasons that we've mentioned in relation to other bills.

First of all we see no need for this kind of tax. If there's any doubt that it is a revenue-producing Act, the figures which have been released to the media by the Minister show that it should raise \$12 million to \$15 million in 1974 and \$20 million to \$25 million in subsequent years. That's a substantial amount of money.

The other basic principle on which we reject the bill is the sweeping power to designate, in sections 2 and 3, for production areas and production tracts. It's really unbelievable that you can designate an area or a piece of land which is deemed to contain or possibly contain minerals. This seems to us a very sweeping power, simply a form of taxing the particular owner of the land, the private owner of the land, with the mineral rights.

So these are the basic reasons we oppose the bill: there is no need for this tax money in our present economy; secondly, some of the sections give complete power to the cabinet to designate land.

MR. SPEAKER: The Hon. Member for Boundary-Similkameen.

MR. RICHTER: Mr. Speaker, this particular piece of legislation is most distasteful to myself because I think it is very poorly titled. I think that this Act should be known as the "Confiscation of Crown Granted Mineral Claims." You didn't repeal any confiscation legislation.

We will likely have an amendment to that effect when the time comes in committee. However, it is the instrument and an implement which will be used by the government to acquire possession of titles to Crown-granted property. It is not unlike a former bill that has had second reading in this House, and that is Bill 42.

I question the legality: however I could be wrong because I am not a lawyer. The Minister said Bill 47 was ultra vires. You're dealing here with railway lands which were acquired by the railway for certain undertakings from the federal government. I question the authority that the province would have in relation to those mineral rights under the railway lands. However, that remains to be seen when the time comes — certainly the legislation as it stands in relation to the titles.

These titles were acquired in a way not dissimilar to those under the pre-emption legislation and homestead legislation that grants to land were acquired by proving the land up in the past.

These mineral properties were granted a title by the fact that they did so much work to acquire the title to these grants. Then they didn't receive them free, in any fashion whatsoever, because they had to pay taxes on them. Consequently, they were not a form of tenure in which if the taxes lapsed they lost their properties.

Now we have freehold tenure too. We have a number of types of tenure of mineral lands. I just wonder how this legislation is going to affect the other types of tenure.

The legislation is obviously aimed at such organizations as Cominco, who have a Crown grant of mineral claims, the Kaiser Coal Mines, the CPR and many other holders of Crown grants of mineral claims.

Now it isn't always feasible to develop a mineral claim in light of the fact that the metal market may not warrant the development of it. You are adding additional taxes to those already on the land, such as the school tax, land tax, regional district tax, hospital taxes, library taxes — you name it — sales taxes as far as equipment is concerned if they are developing the property.

You're going to have the mineral industry, the Crown granted properties, loaded with so many taxes it will be obvious that you will be in possession, which is the ultimate aim of the socialist government — to control all the land. That is their philosophy, their socialist philosophy. This is the way they feel — they can control the people once they control the land.

In my own mind I can't see any fairness in bringing in such a tax as this against properties that have been acquired over the years. Granted, they may have been handed down from generation to generation, but many pieces of agricultural land and other properties have been handed down from generation to generation when a title in fee simple was held by the original family or some of the generations that followed.

[[Page 2514](#)]

I don't know how a mining industry in the Province of British Columbia can survive. Every particular segment of it has been hit in one way or another. Certainly, if there was any encouragement to be given to the mining industry, I would have thought that because of its contribution to our economy, it would be encouraged rather than deterred and discouraged as is being done in Bill 64.

There is so much that could be said about this piece of legislation. There has been so much comment by economists, by the general public who understand the mining industry, and by the professional people in the mining field. I might just quote from one accounting firm who have made a study of it. They title it "The Mineral Tax Act" and they say:

"The Mineral Land Tax Act is an extremely bad piece of legislation in that the taxpayer is not informed as to how much of his holdings of Crown-granted lands are to be taxed, under which system of tax rates and which of his minerals will be subject to taxation.

"The Lieutenant-Governor will designate the areas within the province that are to be taxed as mineral lands, production areas or production tracts. An administrator, to be appointed by the government, will determine the value of a mine prospect or claim or resources on the basis of the designated mineral content, or deemed content, and the value placed upon the designated mineral designated by the Lieutenant-Governor-in-Council.

"There is no appeal against the assessment other than to an appointed review board. Tax costs to individual mines, prospects, claims, or just land held under Crown grant cannot be estimated until the regulations are published."

And this is obvious, again, that we have the lack of legislation or regulations to guide the industry in exactly what is happening.

Now, another firm — and it's not a mining firm — concerned with this land tax made a radio programme on April 2, and they stated this about the B.C. Mineral Land Tax Act;

"On Friday, the new B.C. Mineral Land Tax Act came into our hands for the first time. It is labelled Bill No. 64 and was introduced to the B.C. Legislature on Thursday. Normally, we wouldn't comment on the tax bracket to any extent on a bill of this nature because of its application to a limited segment of the community.

"However, on Friday we reacted with immediate disapproval because of the way in which the law was formulated, not because of the tax the law was imposing. On more careful study over the weekend our immediate reaction seemed more than justified.

"The problem is that the bill delegates most of its taxing authority to others, so who is going to be taxed and by how much will not be determined by the elected Members of the Legislature. As we see it, the bill can tax any lands other than Crown land where any mineral is or may be situated."

That's pretty broad and I think there is an error there in their interpretation of the bill because it is aimed at Crown-granted land.

"It seems to us it would apply to almost any privately-owned land in B.C. because of the words 'where any mineral may be situated.' "

Now this might be right on a farm. At one time my family owned coal rights on an area in Princeton; with the conveyance of title, those rights were relinquished some years ago. But this is a case where it is agricultural land — that was its use — and as far as the mineral was concerned, no production was made of that mineral because it didn't have the quality with which to make it a viable undertaking to extract.

"If an order-in-council is issued — by the way, this does not require any further approval of the Legislature — any such land can be designated to lie in a production area. In that case the tax to be levied would be much more severe.

"To take an example, if a B.C. farmer or rancher with 100 acres is considered to own land on which a mineral may be situated, he will pay a tax under the bill of only \$25 an acre for a total of \$25 per year."

However, that's in the Act ...

HON. MR. NIMSICK: Twenty-five cents an acre.

MR. RICHTER: For a total of \$25 for a hundred acres, that's right.

HON. MR. NIMSICK: That's if he owns the mineral rights.

MR. RICHTER: If he owns the mineral rights.

[[Page 2515](#)]

That's the example that's given.

"However, if he is unfortunate enough to be located in an area designated by an order-in-council to be a production area, this tax will jump to \$2 per acre for a tax of \$200. In addition to this tax of \$200, an administrator will have the right to determine the value of the designated mineral land, and based on this value a further tax not exceeding \$25 per \$1,000 value will be levied. While this further tax has a limit, the actual rate of tax is to be set by an order-in-council.

"It is probable that this new tax statute will only be used to tax a very few individuals and companies in B.C. But nonetheless, the principle of elected representatives passing a taxing statute which could be applied on a broad basis by the administrator's whim is incorrect. The taxpayers already bear a substantial burden of taxation in one form or another. It is not too much to expect that any further tax asked for should be specifically set by the Legislature, not left uncertain, subject to administrative manipulations."

These are the fears of people who own land. These are the areas in which the greatest amount of concern is being shown at the present time.

Certainly, if I owned title to a mineral claim and the time was not right to develop that claim, I would feel very disturbed that I would not have the opportunity to develop that in due course when the mineral market was right. But to bear a substantially higher tax on that because of designation — and this again is the principle that was in Bill 42. It is by designation in which the title to this property could pass on to the government, which is the ultimate aim under this type of legislation and under the philosophy of the socialists.

MR. SPEAKER: The Hon. First Member for Victoria.

MR. N.R. MORRISON (Victoria): Mr. Speaker, I rise in opposition to Bill 64. As I understand it, by definition this Act applies to mineral lands and excludes Crown-granted land and some land used in railway operations. But the specific reference to right-of-way, station ground, yard or terminal of a railway shows to me the intent is to get at the CPR and the CNR operating in British Columbia.

[Ms. Young in the chair.]

It also applies to mining companies who own their own land in fee simple, rather than through ordinary mineral claims. And the main substance of this Act in its many references to orders-in-council and regulations yet to be issued — and that's one of the things that concerns me — the orders-in-council and the regulations which are not spelled out in the Act.

Again, in this Act the government has the power to designate, and the rate of tax is subject only to the overall limit of 25 mills, which is 2.5 percentage points of the designated mineral land. As I see it, therefore the Government has a choice whether the tax will be substantial or very small.

We have an Act where the tax is actually undeterminable. I don't know how you're going to figure it out. The rate of tax, namely the mill rate, is not spelled out. The tax base, that is the assessed value, is impossible to determine.

This Act gives the government very broad taxing powers. Most of those powers are delegated to regulation within this Act — again, another possible blank cheque for the Government. It could, if it wished, impose taxes so onerous as to result in confiscation of mineral rights and mining properties.

As I understand this Act, the assessment is mailed on May 1. In that assessment there will be information as to which parcel is taxed and how that parcel is to be assessed and how to appeal the assessment. That is to be mailed out by May 1. But if you wish to appeal the assessment, you must reply not later than May 15. In that reply you must give complete reasons for the appeal.

I think this is an extremely short period of time. At most, it is 15 days. In reality, with mail being the way it is, it's probably something in the neighbourhood of 10 or 11 days, in which they must get the assessment and they must reply, and they must reply in full. I think that this is clearly insufficient time. Slow mail reduces that time period, as I said. As a matter of fact, this is a great deal shorter time than is generally granted in most other taxation statutes. Most other statutes allow at least 60 to 90 days for reply.

If they choose to appeal, they appeal initially to a board which is established by the Government. It can consider questions about fact and about law. But if he chooses to go beyond that board, he can appeal only to the supreme court and only on questions of law raised before the board.

Another item which I'd like to bring to your attention is the interest. There is a charge of 9 per cent on unpaid taxes. I believe that this is an excessive interest. I don't know of any other tax interest in B.C. which charges 9 per cent. I also want you to notice that if you do by happenstance overpay, again no interest will be paid to the person on the overpayment.

[[Page 2516](#)]

Interjection by an Hon. Member.

MR. MORRISON: Well, I think that it's a little unusual to see a 9 per cent interest charge on unpaid taxes.

When we get to the penalties for failing to pay, this becomes really very serious. If the tax is not paid, then all work may be stopped until the tax is paid. If the tax is not paid by August 1 of the year following the year in which it is assessed, then the mineral lands may be forfeited. They're forfeited 90 days after publication of forfeiture notice in the Gazette, but without any requirement of direct notification to the party concerned. The minerals and the right to take the minerals are then forfeited to the Crown. I believe that this is a very short period of grace with respect to unpaid taxes. To me, it certainly smacks of confiscatory intent.

If the tax is levied, it also forms a lien and a charge upon the property. The lien apparently does not have to be registered. It will apply not just to that particular piece, but to all mineral lands owned by a particular owner. This unregistered lien on all properties will, I think, make financing of mines very difficult, particularly when you're dealing between mining companies and between other parties who might want to be negotiating with them. There's no way that those liens can be properly searched and recorded. It's extremely difficult for them to know whether or not there are liens there, particularly without notification.

Again in this Act we find these strong powers of search and seize. Any person authorized in writing by the Minister may enter any land, any premise or place and inspect any property, including books, writings and other documents. These are very, very strong words again. He has the power to seize those books if he feels an offence has been committed. Furthermore, he may require the owner or persons in charge to give all reasonable assistance and answer all proper questions. He may also, apparently, enter the offices of an accountant, private businessman, private home, whatever, for the purposes of enforcing this Act.

I think that these are extremely broad powers in view of the limited application of this Act.

The Government has two courses open to it in the event of unpaid taxes. First of all, by July of the same year in which taxes are levied they may seize all goods and chattels belonging to the owner in order to satisfy the taxes and interest thereon. Secondly, they can wait until August of the year following and, in effect, seize all the mineral lands belonging to the owners.

In view of the possible prohibitive taxes which could be levied, the danger of outright confiscation of property contained with this Act is obvious.

AN HON. MEMBER: Who are you quoting from?

MR. MORRISON: This is my own, thank you. I'm not quoting anybody.

At this time many mining companies will not be affected because, as I said, this Act only applies to property which is owned in fee simple. But presumably, similar legislation is to be enacted with respect to mineral claims on Crown land. The uncertainty and the ominous overtones of this Act will do nothing to encourage the mining industry within this province.

DEPUTY SPEAKER: The Hon. Second Member for Vancouver-Point Grey.

MR. GARDOM: I'd like to make a few short points here, Madam Chairman.

Dealing first of all with the dollars and cents, we see from the statements issued under the hands of the Minister that there is eventually an anticipated \$25 million tax revenue. There is no indication from the Minister as to where that's going to go. There's no indication from the Minister as to why that is necessary. This is just another example of the overtaking direction of the New Democratic Party.

Secondly, the Premier has often stated in the province that he wishes to do business with industry. I think that's baloney. What it seems that he wants to do is business against industry. This was certainly very clearly indicated in the remarks of the Minister of Mines when he spoke a little bit earlier tonight.

We see three great powers of designation here. First of all, there's the power of the government to designate pretty well anything as a mineral, to designate any part or the whole of B.C. as a production tract. That's almighty control. There's not any appeal against a governmental decision there to any board. There are fantastically wide powers of designation.

It's totally a control bill. I think it could well forecast the death knell of the private-sector miners and perhaps tax-bleed them out of existence. We've seen an example of the power of this government to attack and economically emasculate an industry. That's the insurance industry. You've done that without any compensation. You've put them right out of business by snapping your fingers. Insofar as this bill is concerned, it seems that you could well be contemplating a slow death for the mining industry in B.C.

DEPUTY SPEAKER: The Hon. Minister closes the debate.

HON. MR. NIMSICK: Madam Speaker, when I wrote this bill up I didn't figure there would be too much discussion.

Interjections by some Hon. Members.

[[Page 2517](#)]

HON. MR. NIMSICK: That's why I didn't put too many explanatory notes at the end of the bill. But don't forget that this only applies to privately-owned mineral rights. There is land right on this island, part of the E&N land, where they sell the surface rights and keep the mineral rights. They charge the people who bought that land because they're using the land over top of the mineral rights.

[Mr. Speaker in the chair]

These people will be taxed for their mineral rights, and why shouldn't they be? If a farmer owns land that has mineral rights under it and he owns the mineral rights and if he doesn't want to pay for those minerals rights — there may be no minerals under them but he has the rights — all he needs to do is to revert it back to the Crown.

Interjection by an Hon. Member.

HON. MR. NIMSICK: No, I won't. The people will. That's all he needs to do. As I say, there's a lot of land in the province where the surface is owned in one case, the mineral rights are owned in another, and they're paying nothing for the mineral rights. Why shouldn't they pay? This is the first time in history that we're trying to get at these mineral rights that are owned privately and mostly by large companies.

I move second reading of this bill, Mr. Speaker.

Motion approved on the following division:

YEAS — 32

Macdonald Barrett		Dailly
Strachan	Nimsick	Stupich
Nunweiler	Nicolson	Brown
Radford	Sanford	D'Arcy
Cummings	Dent	Levi
Lorimer	Williams, R.A.	Cocke
King	Calder	Hartley
Lea	Young	Lockstead
Gorst	Rolston	Anderson, G.H
Steves	Kelly	Webster
Lewis	Liden	

NAYS — 15

Richter	Bennett	Chabot
Jordan	Smith	Fraser
Phillips	McClelland	Morrison
Schroeder	Anderson, D.A.	Williams, L.A.
Gardom	Brousson	Wallace

PAIRED

Hall	McGeer
Barnes	Curtis

Bill No. 64 referred to a committee of the whole House at the next sitting after today.

HON. MR. BARRETT: Second reading of Bill No. 169, Mr. Speaker.

AN ACT TO AMEND

THE PLACER-MINING ACT

HON. MR. NIMSICK: Mr. Speaker, this Act is *An Act to Amend the Placer-mining Act*. It's more of a housekeeping Act than anything else to conform with the amendments to the *Mineral Act*.

At the present time, if you go placer mining, you have to have a miner's certificate. It's defined in the *Placer-mining Act* as well as in the other Act. Now we're just using the one Act to define a free miner's certificate. Eventually, we hope that when the review of the *Mineral Act* is finished, the *Placer-mining Act* will be a Section in the *Mineral Act*.

I move second reading of the bill.

MR. SPEAKER: Any debate? Are you ready for the question?

Motion approved; second reading of the bill.

Bill No. 169 referred to a committee of the whole House at the next sitting after today.

HON. MR. BARRETT: Second reading of Bill No. 34, Mr. Speaker.

INSURANCE CORPORATION OF

BRITISH COLUMBIA ACT

MR. SPEAKER: The Hon. Minister of Highways.

HON. R.M. STRACHAN (Minister of Highways): Thank you, Mr. Speaker.

This is a very simple, non-contentious bill. The House has already made a decision, Mr. Speaker, which makes it mandatory that this bill pass the House to implement a decision already made by the House that there be put into operation a government operated automobile insurance scheme in the Province of British Columbia.

Having already made that decision, the House is now being asked to ...

AN HON. MEMBER: There's third reading.

HON. MR. STRACHAN: All right. In principle, the House has made that decision. In principle, they're being asked to endorse the machinery in the establishment of the company, the Crown corpora

[[Page 2518](#)]

tion which will administer that automobile insurance scheme, along with any other responsibilities that may be placed upon that corporation by the Lieutenant-Governor-in-Council.

The Insurance Corporation of British Columbia which will be established under this legislation is empowered to engage in the business of insurance and re-insurance in all its classes, both inside and outside the province, but only with cabinet approval for each specific class, as well as to operate plans of insurance authorized under other Acts, including an auto insurance plan.

This bill, Mr. Speaker, simply sets up the machinery for the establishment of the Insurance Corporation of British Columbia. But insurance in its broader aspects involves something more than the payment of money after the occurrence of a loss. The Insurance Corporation is an instrument of the province and must concern itself with changing needs, with the prevention of losses and with the welfare of those who have suffered losses.

This is an area of social consequence that until now the insurance companies that have been in operation,

generally speaking, have not concerned themselves with. This is part of the changing needs of society, that we do have insurance companies that will involve themselves with this broader field.

To this end, the bill confers upon the corporation, the necessary powers to conduct research, surveys, the promotion of health and welfare, rehabilitation, safety and the reduction of risk. Of major importance and of far-reaching effect to the residents of B.C. Is the provision of the bill relating to investments.

The Insurance Corporation of British Columbia would at all times be the holder of substantial reserve funds. These funds, generated in the province, will be utilized in British Columbia by the corporation for economic development and the furtherance of the interests of residents of British Columbia.

We expect it will be one of the major insurance corporations of Canada. We expect it will fulfil a great need in the province. I've indicated to you that this vehicle is necessary for setting up of the automobile insurance plan already endorsed in principle by this House. I indicated publicly that the school boards of the province have been asking the Minister of Education to find some way of helping them provide a better measure of insurance protection in the fire field and this corporation will be able to do that.

Mr. Speaker, as I indicated earlier, this is a housekeeping bill. (Laughter). It is not contentious; it is necessary and fulfils a social and economic need in the Province of British Columbia. I have great pleasure in urging second reading of the bill now.

MR. SPEAKER: The Hon. Second Member for Vancouver–Point Grey.

MR. GARDOM: Well, it was very interesting to hear the way the Hon. Minister delivered his address tonight. It reminded me a little of Dame Judith Anderson as he Lady Macbeth'd the insurance industry.

We don't have any right to sue the Crown in the Province of B.C. We don't have a Human Rights Act. There are not any laws for fair expropriation. There are not any laws to provide compensation for any individual that suffered from the very heavy hand of a government that will totally emasculate a lawful business, a non-polluting business, and a taxpaying business. And the Hon. Minister talks about it being a housekeeping bill.

I'll say it's a housekeeping bill! It's a death-house bill for the insurance industry in B.C. I think the fairest thing to do is for every Member in the House to stand up and bow their heads and have two minutes silence for the agents and the insurance adjusters and the hundreds of people who work for these insurance companies.

If you think the thing that you are doing is correct, why not go ahead and provide compensation for losses? At least have the gumption to permit these people to have their day in court against you.

Interjections by some Hon. Members.

MR. GARDOM: "Not this bill," my foot! it carries out the other bill and you know it. What you've done to this industry is exactly the same thing that Castro did. He denied the right to the court.

SOME HON. MEMBERS: Oh, oh.

MR. GARDOM: That's true. All right, let these people have their day in court. Are you in favour of that? If you are in favour of seeing that the people who have been sent down the garden path by this legislation can have an opportunity for legal redress, that's one thing. But just to go ahead and emasculate this industry and not give them an opportunity to have that is another.

And furthermore, why not give them the opportunity to compete? How does the Minister of Highways think that he knows all of the answers for this particular industry and it's his heaven-given decision to go ahead and prevent any of the people who wish at least to say to the general public, "We can do a better job than the government and we want to be able to do it"? They'll be paying their taxes and they'll be employing people and they just want to have an opportunity to be engaged in a lawful avocation in a democratic society. And you say no.

It's a pretty darn stinking thing, in my view, that you can't at least let these people have an opportunity to have their day in court or go ahead and have the conscience to bring in effective legislation so they can receive compensation for loss.

[[Page 2519](#)]

MR. SPEAKER: The Hon. Member for North Peace River.

MR. SMITH: Thank you, Mr. Speaker. Dealing with the principle of Bill No. 34, *Insurance Corporation of British Columbia Act*, it is fairly obvious that for the government to move into the field of car insurance they not only had to have an Act to cover the specific field of car insurance but they needed a vehicle that would be all-encompassing to provide for the base company or corporation, one of whose powers will be to enter into the car insurance field.

Since we debated the principle of auto insurance in Bill No. 35 without having had the opportunity to debate the principle of this bill first, when it should have been debated first, we will deal with it this evening.

The objects and principles of this bill give the government of this province the power to enter into every and all types of insurance business. It's a type of bill that if exercised to its fullest will not only wipe out the auto insurance industry in the Province of British Columbia, it will wipe out all the general insurance industry as well.

It could even go so far as wiping out all of the life insurance companies in the Province of British Columbia, although that would be a pretty big task to take on all at once.

But let's just take a look at the powers that are outlined in the bill. In its function the corporation has the power and capacity to:

"(a) subject to the approval of the Lieutenant Governor in Council, to engage in and carry on, both within and without the Province, the business of insurance and reinsurance in all its classes;"

"The business of insurance and reinsurance in all its classes."

That means that you can move into the general insurance field, marine insurance, fire, casualty, the auto field which the other bill covers, and the life insurance field.

You specify auto insurance as clause (b) of section 5 of the bill so there's no doubt in the minds of the people who read this bill exactly what you intend to do in that respect.

It also gives you the power to enter into the business of,

"repairing any property insurance; and salvaging and disposing of by public or private sale any property insured and acquired under a contract by which the corporation may be liable as an insurer."

MR. SPEAKER: Hon. Member. I would ask the Member not to refer to specific sections of the bill — that comes under the committee. But it is permitted to deal with the broad range of the subject in general as long as you don't read out sections of the Act.

MR. SMITH: O.K. I won't quote verbatim from the Act. But it is difficult to deal with this type of a bill in principle without referring to the intent of the bill and the intent is spelled out in fairly specific terms. But I'll refer to them in general terms.

MR. SPEAKER: If you steer away from mention of Sections I think you might quell the savage breast.

MR. SMITH: We'll debate in principle the idea of whether the government of the Province of British Columbia should enter into all the insurance fields that you are permitted to enter into under this bill. I would hope that is permissible as the principle of the bill that is before us.

It not only gives you the power to enter into all classes of insurance but it also requires those people who are agencies or authorities of the government or over whom you have control, or whom you make loans to, or whose bonds you guarantee, or who are in any way connected with the Province of British Columbia and doing business with the government of the Province of British Columbia, to purchase their insurance from the government-operated monopoly.

It was bad enough, Mr. Speaker, for the government to set up the auto insurance business on a monopoly basis without allowing competition, without really taking into consideration the effect that such a move would have on all the individual insurance agencies in the Province of British Columbia operating in the auto field and in the general field. But even that percentage of their business which is now represented by the general field is being infringed upon by the principles of this bill.

Most general agents that I have talked to tell me that from 50 to 70 per cent of their entire volume of business was written in the auto field. Some of those agents will be retained, I presume, as agents to act on behalf of the government, although the rates of commissions have not been spelled out. So they will have an opportunity, at least for a while, to retain part of that business.

But with this vehicle, any day you choose and any time you choose, you can move into the other areas of the insurance fields which they have occupied for years and completely wipe them out, not only out of the auto field but out of the general and the casualty field as well.

You also provide in this bill a requirement for those corporations or institutions doing business with the government to purchase their insurance from that new corporation. While the government has not really said in definitive terms just how far they move into this general insurance field, when that bill is passed and becomes law, you have all the power you need to move in any direction that you wish. Not only that, you have the power to force anyone who does business with the province to do business with your

[[Page 2520](#)]

insurance corporation.

If there was ever any doubt in the minds of the people of British Columbia as to the ultimate aims of the NDP, they should no longer have any doubts. It's certainly spelled out in this bill. It's a type of legislation that for no good reason and without any mandate you have decided to put into force in this province. **If it was your desire to go strictly into the auto insurance field, you could have used the one bill. You didn't need two bills. You didn't need the *Insurance Corporation of British Columbia Act*. It could have all been included under the one bill.**

Since you feel that you had a mandate to go into the auto insurance business when you were elected, because you campaigned on that basis, you could have entered that field. But the day you decided to bring this bill into the House, **you exceeded any mandate that you ever had** in the Province of British Columbia. No one should forget, Mr. Speaker, that this government has **no mandate to go into all the general, casualty, marine, fire, theft and life insurance fields**, from anybody in the Province of British Columbia — not even from the people who supported you, who must now have grave doubts as to what your real motives are.

It's the proposed type of legislation that every small businessman and every homeowner in British Columbia must view with a heavy heart. They can see that while the provincial government has provided certain benefits, they now have the power to move into all the fields of insurance and not give the individual a choice as to whether they wish to do business with that corporation or not.

In reading this bill, Mr. Speaker, it would seem to me that even those people who receive a homeowner grant in the Province of British Columbia would be required, if the government goes into the general insurance business, to buy their fire insurance and the insurance on their houses from the Province of British Columbia. So by the implementation of this legislation, you force the people of British Columbia to do business with your Crown corporation; in the same way that you're going to try to force the mining industry to allow you to become equity shareholders in their business; in the same way that you're going to try to force anyone who does business with the

government to become unionized, whether they wish to do so or not, even the small contractors.

Let no one think that the intent of this bill is to set up auto insurance and auto insurance only in the Province of British Columbia. The bill is designed to eliminate the private insurance business and those companies that do business in the Province of British Columbia. It gives you unlimited authority to invest money as you see fit. It gives you the authority to set up corporations. It gives you authority to wipe out a segment of business that you have no quarrel with.

Mr. Speaker, it's the type of legislation that those of us in the official opposition will not support. That doesn't come as any surprise to the government, I'm sure.

Interjections by some Hon. Members.

MR. SPEAKER: Order, please.

MR. SMITH: But only those people who are not only socialists but very left-wing socialists would ever support that type of legislation and wipe out a segment of business in the province that has done yeoman service to the people of British Columbia.

We'll probably not find out exactly what the plans of the government are under this particular Act until after it's passed. Some day we'll wake up and see an announcement in the paper that the Province of British Columbia has just incorporated an insurance company called the ABC Company or whatever to provide general insurance in the Province of British Columbia.

Interjection by an Hon. Member.

MR. SMITH: That's a good name for it.

It is an unhappy day for British Columbia to see this type of legislation come before us. I don't know of anything good that I can say about the bill because of the ultimate intent of this type of legislation. We have no intention of supporting it, Mr. Speaker. We know that the government, with their majority, will ram it through the House. We know that within a specified length of time the Act which allows this corporation to be set up in the Province of British Columbia will be used to take over the private insurance industry in this province, not only the auto insurance industry.

That's the intent. That's the purpose of the bill. We do not support it, Mr. Speaker.

MR. SPEAKER: The Hon. Member for Oak Bay.

MR. WALLACE: Mr. Speaker, I'm sure it will come as no surprise to the House to know that we also oppose this bill.

Interjections by some Hon. Members.

MR. WALLACE: Oh, you got me right there. I must admit, Mr. Speaker, that at this time of night it gets tougher and tougher to get really excited. (Laughter).

Mr. Speaker, we oppose this bill for several basic reasons. We don't believe that government has a place in the private sector, particularly if it is not on a basis of fair competition. If we have this government insurance bureau having the advantage right off the bat of not paying income tax, then I think you can

[[Page 2521](#)]

hardly say that it's competing with the private sector, who do pay income tax.

Interjection by an Hon. Member,

MR. WALLACE: Well, I don't accept that, Mr. Minister. I'm not suggesting that the private companies are blameless either.

Let's put it this way, very clearly: this party doesn't feel that the way to solve the shortcomings of the insurance business is for government to get in the business. We feel that there can be better ways. We just don't feel that government does a good job of operating business. It tends to be bureaucratic and impersonal and heavy-handed. We still believe ...

Interjection by an Hon. Member. (Laughter).

MR. WALLACE: Mr. Speaker, I obviously have my second string out tonight, with respect to the Hon. Mayor from Saanich. I really appreciate a little bit of support. Where was I?

MR. SPEAKER: You were clutching your wallet. (Laughter).

MR. WALLACE: No, it's on this side.

Among other things, we notice that this bill includes powers of expropriation. The Minister shakes his head and looks all upset but it's right there in the bill. There again, we see the government seeking more and more power. This kind of bill is indicative of the general trend we see in so much of the legislation.

As I've said many times, we're stating our point of view, the government's producing its policy and we leave the people of British Columbia to make the choice. But I think the people should always be clear as to what the two sides of the House stand for. This government — at least I give it credit that it makes its position very plain. It's sincere in its beliefs. With respect, we're quite sincere in our beliefs.

We just believe that government doesn't have a suitable role in competing with the private sector. We don't feel that that is the role of government. We feel that the role of government is to supervise and to discipline abuse in the private sector by regulation or otherwise. But for the government to enter into competition with the private sector because it believes that there have been shortcomings in the private sector, we feel is not the way to solve some of the problems in the insurance business.

I've already stated that it's unfair because of the taxation situation. We are also unhappy because this bill can compel anyone or anybody or business doing business with the government to accept the government insurance. I think it should be made very plain, as the former speaker mentioned, that there is no doubt whatever about the wide range of possibilities under this bill.

In other words, the government is saying that this bureau can indeed enter into any or all fields of insurance, and the same kind of authority which exists in the proposed automobile insurance could in time creep into other fields of fire, general and life insurance.

We also feel that this means that in many cases the consumer may finish up having no choice but to deal with government. The kind of monopoly we have in the automobile insurance is no more acceptable to us in general fields than in automobile.

The final point that we would like to make is that in many of the areas where the government might well intervene, we're not aware of any real need. We will not accept that this is the one and only solution to deal with the behaviour of those private companies which the government says have been rip-offs and so on. We strongly believe that the function of government is not to compete but to supervise. If there is unfairness to the consumer, we feel that there are many ways in which the government can function. But we do not believe that in mining, or timber, or insurance, or in any other function in society, the answer is for government to get into the business and compete.

I've already said this afternoon that there's something unique about dealing with government, whether you're just a little man going to the government office to do business, or whether you're a company trying to conduct a viable enterprise and deal with government authority at some level. Dealing with government is dealing with a very

unique body that has unlimited power. We don't feel that that unlimited power is suitable to be introduced into the private business sector of this province.

Mr. Williams moves adjournment of the debate.

Motion approved.

Hon. Mr. Barrett moves adjournment of the House.

Motion approved.

The House adjourned at 11:00 p.m.

[Return to [Legislative Assembly Home Page](#)]

Copyright © 1973, 2001, 2013: Queen's Printer, Victoria, B.C., Canada