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Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)

WEDNESDAY, MAY 29, 1974

Afternoon Sitting

[[Page 3509](#)]

CONTENTS

Routine proceedings

Provincial Court Amendment Act, 1974 (No. 2) (Bill 122).

Hon. Mr. Macdonald.

Introduction and first reading — [3509](#)

Privilege

Absence of Ministers during question period. Mr. D.A. Anderson — 3509

Mr. Speaker — [3509](#)

Hon. Mrs. Dailly — [3509](#)

Routine proceedings

Committee of Supply: Department of Transport and Communications estimates On vote 235.

Mr. Gardom — [3509](#)

Hon. Mr. Strachan — [3518](#)

Mr. Gardom — [3522](#)

Mr. Fraser — [3522](#)

Hon. Mr. Strachan — [3524](#)

Mr. Wallace — [3526](#)

Hon. Mr. Strachan — [3526](#)

Mr. Wallace — [3526](#)

Hon. Mr. Strachan — [3529](#)

Mr. Wallace — [3530](#)

Hon. Mr. Strachan — [3531](#)

Mr. Phillips — [3531](#)

Hon. Mr. Strachan — [3536](#)

Mr. Phillips — [3537](#)

Mr. McGeer — [3537](#)

Hon. Mr. Strachan — [3538](#)

Mr. Curtis — [3539](#)
Hon. Mr. Strachan — [3541](#)
Mr. Curtis — [3542](#)
Hon. Mr. Strachan — [3542](#)
Mr. Bennett — [3543](#)
Hon. Mr. Strachan — [3543](#)
Mr. Morrison — [3543](#)
Hon. Mr. Strachan — [3544](#)
Mr. Morrison — [3544](#)

WEDNESDAY, MAY 29, 1974

The House met at 2 p.m.

Prayers.

Introduction of bills.

PROVINCIAL COURT
AMENDMENT ACT, 1974 (No. 2)

Hon. Mr. Macdonald presents a message from His Honour the Lieutenant-Governor: a bill intituled Provincial Court Amendment Act, 1974 (No. 2).

Bill 122 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.

MR. H.A. CURTIS (Saanich and the Islands): Mr. Speaker, with your permission, I realize we have moved past the appropriate point for introductions, but I would like to draw the attention of the House to the return to the press gallery of representatives of the two Victoria daily newspapers, after an absence of some six months. It's good to see them back and good to know that we're going to have daily newspaper coverage in greater Victoria.

Oral questions.

MR. SPEAKER: Let's move on to the next subject. No oral questions?

MR. D.A. ANDERSON (Victoria): Mr. Speaker, on a point of order, in view of the fact that *May*, 18th edition, says on page 132:

"It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt...."

And in view of the absence of the cabinet at a time when the Legislature is meeting to discuss questions, we feel there is contempt of the House with respect to the meeting of the cabinet at exactly the same time that question period takes place in this House, and we have no intention of asking questions of the remaining Members.

MR. SPEAKER: Would the Hon. Member care to put a motion on that?

MR. D.A. ANDERSON: It's contempt. What motion do you want for contempt?

MR. SPEAKER: On a question of privilege.... I presume the Hon. Member is raising it as a question of privilege. Is the Hon. Member serious?

Interjections.

HON. G.R. LEA (Minister of Highways): Mr. Speaker, I'd like to work it out in percentages — our membership against the Liberals.

MR. SPEAKER: Order! I don't think that any Member has the right to consider it is a question of privilege whether a Member is in his seat or not. Every Member is required by standing orders to attend the service of the House without reasonable excuse. In later years no question has arisen where the absence of a Member has been noted by the House, whether with or without permission. The Hon. Member has not proceeded to make any motions. Therefore we must proceed to the next order of business.

HON. E.E. DAILLY (Minister of Education): Mr. Speaker, I would like to have it on the record that there are nine cabinet Ministers present who are quite willing and quite prepared to answer any questions. I'd like that to go on the record.

Orders of the day.

HON. E.E. DAILLY (Minister of Education): Public bills and orders, Mr. Speaker.

Leave not granted.

HON. MRS. DAILLY: Mr. Speaker, I would now call Committee of Supply.

MR. SPEAKER: Committee of Supply is in order in view of the fact that it has priority of motion.

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

ESTIMATES: DEPARTMENT OF
TRANSPORT AND COMMUNICATIONS

(continued)

On vote 235: Minister's office, \$100,716.

MR. G.B. GARDOM (Vancouver–Point Grey): Well, it's pleasing, Mr. Chairman, to see the Minister in good humour this afternoon. As he is not yet surrounded by his expertise, perhaps we should get the message out that they should be in the House now.

The little Dutch boy, Mr. Chairman, only had one hole in the dike to contend with, but the dike that

[[Page 3510](#)]

apparently this Minister has surrounded himself with is starting to look like a colander in the eyes of the public. I suppose that apart from just one finger being needed, every finger of all of his experts is going to be required to bottle up the mess that he is creating. Surely their battle cry of the day must be "Man the pumps! "

I would tend to think that the most conspicuous individual who is absent, Mr. Chairman, is Admiral Sterling of B.C. House, the agent-general. We all know that his bags are packed and he's just waiting for the word. The only question now, Mr. Chairman, is — when? Is it going to be before the end of the year, before the election, before the Hon. Robert Strachan takes over his own RRSP in London? One thing I suppose is rather encouraging. If nothing else, the transition will certainly be a thrifty one, because from Sterling to Strachan they probably won't even have to change the initials on the towels.

I'd like to prophesize one thing, Mr. Chairman — that this Minister will not be a Minister of the Crown at the next election; he will not be a candidate and he will be living the good life in London town.

MR. CHAIRMAN: Order, please. Would the Hon. Member address his remarks to the vote before us please?

MR. GARDOM: Yes, I'm just really addressing myself to the fact, Mr. Chairman, that the people of B.C. can anticipate one thing very, very clearly — that the Hon. Minister who is present today will no longer be a Minister of the Crown come the next election.

Interjection.

MR. GARDOM: I'm getting a little bit of assistance from my right to the effect that the heavies have now arrived. Well, I really wouldn't call these gentlemen heavies. I think they are people who provide a great deal of needful assistance to this Minister. I'm sure you'll agree with me, Mr. Member, that he's a Minister who needs all of the assistance he can get.

Now, I've got a number of questions to the Hon. Minister, but first of all I would like to have his attitudes to freedom of choice because when he was addressing this assembly not too many days ago, he made it very, very clear to the general public and to all of the elected representatives that anyone in the province had a right to run a newspaper. But anyone in this province, of course, does not have a right to run an insurance company, and similarly we're going to find out pretty soon that anyone in this province is not going to have the right to run a telephone company, and people are not going to have the right to run a mine in the province of B.C. unless it happens to be under the square of this government.

B.C. is, or perhaps better, was, a democracy. And it certainly used to be an accepted democratic principle that freedom of choice is an acceptable freedom in a democracy, but not so in the field of car insurance. I want to ask the Minister why it is not so in the area of car insurance.

I'm going to read to the Hon. Minister some excerpts from some letters from concerned British Columbia people, people who, without a question of a doubt, do not agree with this compulsorily imposed service. I would very much like to have the response of the Minister to these sentiments that are expressed by B.C. people, because the Hon. Minister has got to remember that through this force-feeding action that has been taken by the government in this area and in many other areas, he is only responding to barely 38 per cent of the people, and is foisting the will of the minority onto the majority. These are some of these excerpts from letters:

"I'm thoroughly opposed to this B.C. government monopoly." "The taking over of the motor vehicle insurance business was a completely unjustifiable piece of piracy." "Private insurance should be allowed to compete." "Any misgivings...."

Interjection.

MR. GARDOM: No, they're not from the insurance industry, Mr. Minister. As far as I know, they are just a number of letters.

"Any misgivings I may have had are being reinforced daily. Autoplan issues no policy, coverage and limitations are largely unknown. By tying it to the licence year, there will be annual chaos."

Interjection.

MR. GARDOM: She doesn't drive a car, Mr. Minister.

"I object to prepaying money to an agency of the government."

Here's another one:

"ICBC will dictate repair costs, leaving overage to the owner, without recourse to the government insurer."

I would like to have the Minister's comments on all of these points.

"It conveniently ignores taxes private insurers paid when explaining its degree of success or failure."

Now dealing with that, we have one very interesting advertisement that the Hon. Members have seen. This

one happens to be out of *The Victorian Express*, March 30 of this year. It says: "The Buck Stays Here." Well, I don't know if it stays here, it seems to be rotating from socialist to socialist. But it

[[Page 3511](#)]

talks about money being paid into Autoplan...remains your money and so forth and so on — "Autoplan is your insurance programme, the benefits remain right here in British Columbia."

But this advertisement, Mr. Chairman, conveniently fails to explain to the general public what revenue sources to the government disappeared with this plan. How much corporate income tax disappeared? How much sales tax disappeared? How much business tax disappeared? I believe the assessment for business tax in the City of Vancouver alone — and I would like to correct this figure, I'm just speaking from memory now — but I believe it would be estimated that the ICBC would be paying a business tax of \$30,000 and it's not paying its business tax in any other areas of the province.

How much premium tax is no longer collected by the B.C. government as a result of this compulsory plan? Is this \$10 million, is it \$20 million, is it \$30 million? I would assume it's somewhere in the vicinity of \$20 million up which the provincial coffers have been robbed of by virtue of this compulsory plan.

There's no question of a doubt that this advertising could be explained in two words: it's misleading advertising — nothing but misleading advertising. If this was a type of advertisement that went out in the private sector, surely to goodness they could face legal action as a result of it.

It's very, very convenient for them to ignore the benefits that the private sector paid, and they always do that. We never hear any of those figures given to British Columbians from any of the statements of the Ministers. Last night we had a long discussion from the Minister of Mines (Hon. Mr. Nimsick) about profits and revenues and so forth and so on. Not once did he indicate to this Legislature how much corporate income taxes were received from the mining industry. Not once. They're only painting one side of the picture to their advantage, Mr. Chairman.

[Mr. Liden in the chair.]

A new Chairman in the chair. Nice to see you, Mr. Chairman.

Now carrying on with some of these complaints from some of these people: "Refund policy is a farce. No interest, just a pile of red tape."

The Hon. Minister was asked in this House — one of the many, many questions that he failed to respond to — were they or were they not going to provide interest for these refunds? It is not forthcoming, so we have to accept that as a negative response.

Another statement:

"Socialistic tampering will leave permanent economic scars all over this province." "Their concern is with political dogma, not with the individual." "Mr. Barrett talks about identical premiums for identical coverage. Who can ever tell that, let alone in later years?"

They talk about the driver's certificate. This is what people who are complaining about this plan say: "The driver's certificate is a thinly disguised way of assessing drivers an extra tax, a minimum of \$10 per year."

I'm going to talk a little later about that and the amount of estimated revenues dealing with it.

Another statement:

"I'm not in favour of monopoly. If this government continues to remain in power, the economy of this province will be damaged beyond repair.

"Claim centres are being built all over the place. Why the extra expense? They weren't needed under the private enterprise insurance, why now?" "Are there anymore \$52,000 hiring errors in store?"

I don't know whether that's the correct figure, but I suppose that's referring to Mr. Adams. The Hon. Minister in his frankness and his openness has absolutely refused to indicate to this House any particulars of the Adams case. Why was he dismissed? Why was he given a salary? Why was he given his full salary? Is he prepared to file the contract documents in this House? He has never been prepared to do that. He takes the question as notice, Mr. Chairman. Is he prepared to file the settlement documents in this House? No, he's not prepared to do that either. He's sweeping the Adams case right under the rug at terrific public expense. Is there hanky-panky going on? The Minister should inform us of that, we've got to know.

Another statement: "Competition and freedom to choose are the best safeguards for a consumer, not this vast colossus."

These are the public speaking:

"Without private insurance, ICBC will be free to charge any amount it chooses."

How true, how very true.

"If driver insurance is a must, why not include it free with those who have car insurance?" "This two-step insurance is nothing but a tax deceit." Another statement — and I'd like the Minister's comments on all of these because these are the public speaking to us:

"Autoplan wastes our money on excessive advertising on TV, radio and newspapers. It hires high-priced help; it fires them; it buys out their contracts. We're thoroughly fed up with that bunch in Victoria."

Here's a pretty straight statement: "Let's have an election." If this government went to the public today, you'd be thrown out. When you go to the public your first time out, you're going to be thrown out, and thank the good Lord for that.

[[Page 3512](#)]

This is a statement that really could have come from the Minister of Health (Hon. Mr. Cocke) because this is the philosophy that he espouses but does not practise: "Government should not get involved in business. All they give us is delaying tactics and chivvying double talk."

Here's a good one: "ICBC should be subject to an investigation under the Combines Investigation Act." This is what a constituent thinks.

Here's another: "I'd never spend my own money the stupid way they're using my tax dollars" — again referring to salaries, delays, bought-off contracts, capital cost items and so on.

Here's a good one: "There should be a law against the confiscation of any industry, especially without compensation." That's the type of practice carried on in Cuba. Is the Hon. Minister going to recommend the same type of practice for B.C. Telephone — or his colleague, the Minister of Mines, for the mining industry? Are you going the Waffle manifesto the whole way? You have so far, make no mistake of that.

"Government for the people by the people has achieved a new dimension for public extortion," says another writer. "The controlled bureaucracy and regulations are horrible to contemplate."

"NDP...Not Me" — this is an interesting one. It's in the form of a bumper sticker now — "NDP...Not Me." It's "ND" but it's not a "P." It's a hammer and sickle that's not me, and this seems to be....

Interjection.

MR. GARDOM: Yes. Well, how do you think that is sick when you confiscate industries without

compensation? What do you call that? What do you call that?

Here's one from another one! "I've had to work all my life...."

Interjections.

MR. GARDOM: "I've had to work all my life for what I have. I don't want to see it all squandered in taxes to pay for these socialists."

Here's another letter. "Their attitude is dictatorial. If they truly wish to provide competitive rates, they'd have gone into the business on a competitive basis."

Mr. Chairman, this government didn't even have the gumption to inform the general public before the next election that this was going to be a complete takeover of the car insurance industry without a right to choose. They never told the general public, Mr. Chairman, and this Minister didn't tell the general public; and it's his portfolio. He deceived the general public into thinking that there would be still freedom of choice, and there was not. In none of the election material offered by the NDP did they ever indicate that there would not be any freedom of choice.

Interjections.

MR. GARDOM: Yes, the Hon. Member mentions the Premier stated that the private industry would be permitted to compete.

Interjection.

MR. GARDOM: Well, the Premier's had trouble with his statements and the veracity of them before, Mr. Chairman. But that's just another illustration of no veracity on the part of the Premier.

Here's another statement: "The previous system was better and more democratic. There was a choice of insurer, a choice of company and a choice of place for repairs." What is wrong with having that in a democratic society, Mr. Minister?

Here's a person who states it pretty bluntly: "I look forward to seeing them out of office." Here's another: "With the government taking over so much, soon we will have to set up another government to police the activities of the present government." Oh, dear! "Where is their humility?"

Here's a 35th statement: "Sixty per cent voted against them. It's just steamroller power ruled by minority." Here's another: "We'll never know the true cost. They're just going to bury all the overhead." You sure are going to bury all the overheads; and I'm going to refer to some of these figures specifically before I sit down this afternoon.

"The word 'democratic' has no place in their label." "I want my freedoms maintained, not eroded."

These are 39 excerpts from letters, Mr. Minister.

HON. D.G. COCKE (Minister of Health): All from the Liberal Party.

MR. GARDOM: No they're not. I would think that some of these letters, Mr. Minister, are from socialists. They've been deceived by the party in control in the Province of B.C.

These letters, these 39 statements, have expressed, whether you like it or not and we know we've got differences in philosophy but they expressed the will of the majority and the opinion of the majority of the people in the Province of B.C. I'd like to know what the Minister's response to that is.

There have been a few letters to me, and I'd say rather a few, that approve of the plan. But, really, those who do approve, do so on one basis only. They feel that it is cheaper. It is cheaper to some people at the present time. It's more expensive to others at the present time. But the overall net social governmental cost is going to be higher to the

whole bag and to everyone within this chamber because of the hidden

[[Page 3513](#)]

subsidies and the in-built featherbedding and the bureaucracy and the loss of taxes — the loss of revenues, which I mentioned a little bit earlier, that were formerly paid; the loss of income tax; the loss of the corporation tax; the loss of the land taxes that they paid and the business tax and the excise tax and the premium taxes. Where are those figures?

I would tend to think, with the might and the power that this government has and their continuing desire to drag up a batch of figures that will only support their own premise, they might at least have the decency to show the other side of the ledger.

I don't think in any way at all, Mr. Chairman, that we will ever have cheaper car insurance, but more expensive. We find \$40 million being allocated for structures in two years alone. The private insurers didn't go ahead and saddle the policy holders with that. I suppose you're going to have to put your premiums up to pay for those things.

Interjection.

MR. GARDOM: There were not any private claims centres and you know it very well. You know it very well.

Interjections.

MR. GARDOM: And the private sector didn't go ahead and rent the most expensive premises west of Toronto, Mr. Minister. Put that in your pipe and smoke it.

But ever since you've falsely forced this plan down the throats of B.C. residents — and I again reiterate, falsely, Mr. Minister, because you never went to the electorate on the basis of what this plan turned out to be.... You never went to them and said it was going to be the only game in town.

And if you don't like the rates and you don't like.... You deceived the people, my friend. You deceived the people and you're not going to have an opportunity to deceive the people ever again. You're a one-timer if I've ever seen one, make no mistake of that.

If people don't like the rates and don't like the service and they don't like the coverage, there's nowhere else to go. They can complain; sure they can complain, but who can they complain to? Deaf ears. If the ICBC or the government don't like what a B.C. citizen may say, if it doesn't like the excerpts that I've read from these 39 letters, you can turn a deaf ear to all of that.

You know, by analogy, Mr. Chairman, you can remember that story from Damon Runyan talking about the only game in town. It was Big Louie's game. Big Louie played it the way he wanted to play to it, just the way this Minister's playing it.

You will all remember...if we could call it a confrontation — I think that's an inappropriate word; it's too strong — at the final part and Shorty, or whatever his name is, rolled a six. Then it was Big Louie's turn to roll. So he rolled the dice but he rolled them under his own hat.

Then Shorty asked him: "What is it, Big Louie?" Big Louie peeped under his hat and he said: "It's an eight. I win." Poor old Shorty said: "Oh, Big Louie, did you do it the hard way?" "Did you do it the hard way?"

That's just the kind of compassion that we're able to expect from the ICBC or from this government. It's their way and only their way, be it soft, brittle, hard or otherwise, but they're the only game in town. Make no mistake of that.

As I said, when this government first raised insurance — and it was certainly one of the main planks, if not the main plank in its platform — it didn't refer to the fact that it was going to be the only game in town, I also said before, Mr. Chairman — I'm going to reiterate this to the Minister today — that government car insurance is going to be perhaps the main plank in the platform of the socialists for the next election.

When I mentioned this before, the Minister said that I was cynical. Well, that's not true. But there's no question of a doubt that I did hit a nerve. What the Minister is going to do is this: he's going to use car insurance just as the former Premier used the homeowner grant. It's going to be a vote-getting gimmick. By dropping the cost of car insurance — not because there are going to be any savings at all — it's going to be meddled with. It's going to be an election gimmick and he's going to subsidize it by plugging into it the programmes from other areas of government, just a purely and simply subsidized programme. And one way is going to be by the electric light bulb.

We all remember in that omnibus bill that came in last year that B.C. Hydro, which for all practical purposes was primarily a self-insurer, had to come under ICBC. So the Hon. Minister goes to the Minister of Finance (Hon. Mr. Barrett) and says, as he's going to say: — ICBC is in trouble. We're in trouble. We're not only not going to be able to give a reduction, I very much doubt that we're going to make our way."

The Premier says: "No problem, Bob. No problem, Bob. How much is the premium on a dam? How much do you need?"

The premiums will go up for the dam. That will be reflected into the electric light bulb, and we'll have the people who use electricity in the province, many of whom are motorists, subsidizing car insurance.

I definitely say — and I would prophesy this — that the government is without any question going to go to the general public and offer them cheaper car insurance, in their definition of cheaper, come the next election — but by virtue of this kind of a

[[Page 3514](#)]

practice.

Now a few questions about the business practices. When I said this before, the Minister got all upset and red around the collar and everything else, and said that I was being cynical. But it's true, and he knows he's going to do it. He knows he's going to do it, but I don't think he's going to be the Minister to do it. I don't quite know who the next Minister in charge of this is going to be but I'm afraid this is going to be your....

AN HON. MEMBER: Highways.

MR. GARDOM: Highways?

AN HON. MEMBER: He wants it.

MR. GARDOM: Highways wants it? I'd rather have this Minister than the Highways.... But that's up to you, sir.

In your report, Mr. Minister, the little white booklet which is.... If you'll excuse me a moment, Mr. Chairman, I'm looking for his annual report.

In the Insurance Corporation of British Columbia, First Annual Report of February 28, 1974, revenues are estimated by the Minister for the fiscal period March of 1974 to March of 1975. We find on page 3 that those revenues were estimated at \$179 million. On top of that we have to add on for new tax, which it is. It was not certainly prevalent before under the private sector. It is \$28 million; that is their estimate for the drivers' certificates. Those two figures total \$207 million.

We don't find in here, oddly enough, any estimates of interest accrual; at least I haven't been able to find it. I'm going to be generous and I'm going to say that the interest income from prepaid premiums — and insurance is a

prepaid trust.... I don't think it should be, and I'd like to say a word about that too in just a second. But I would estimate that the interest income, on the generous side, would be \$20 million. I'd like to know why it was not mentioned. Why was the interest income not mentioned? That would give a total estimated revenue of \$227 million.

Just a word about that. Mr. Minister, if you wish to give the motoring public a break, don't insist upon prepaid insurance. Or — and I'd like your views on this — if you do insist upon it, as you are doing and as I know and everyone else knows you're going to continue to do, why not go ahead and give those people who prepay a deduction equal to bank interest on the amount of their premium for one year?

Give an incentive for prepaying. Because if they kept that money in their pocket, they would be entitled to that interest themselves as opposed to the Government of the Province of British Columbia.

So exclusive of the general insurance underwriting of ICBC — and that is always going to be an exceptionally questionable figure by virtue of the fact that the flexibility of government will come into play, and it will determine how much it wishes to put into the pot for whatever particular reason — but exclusive of the general insurance underwriting we find in the Minister's report a revenue up to March 1, 1974, which I think was a 10 1/2-month period, of \$2.1 million.

Now assuming, which I think is an incorrect or a false assumption, that the government policy does not yard premiums from Hydro and other government emanations into ICBC, I suppose it would be a fair example of growth to say that that \$2.1 million over the next fiscal period could increase, say, two-fold to \$6 million.

Exclusive of projected revenues from emanations of government, I am predicting gross estimated revenues for the period of March 1, 1974, to March 1, 1975, of \$233 million. These are the figures I have received, or compiled I should say, from the Minister's annual report here of the ICBC.

[Mr. Dent in the chair.]

Now the premium income is indicated on page 3 for this year — sorry, as of March 1, 1974. It says: "One million Autoplan policies were in force. for a total of \$133 million." So if you deduct that \$133 million from the \$233 million, which I'm using as an estimate, we find revenues conservatively increasing by \$100 million.

What I want to ask the Minister is this: out of that, is a loss anticipated? If so, how much? Is he going to tell the motorist that he's been overtaxed? He is certainly paying more when you take everything into account. Are you going to tell the motorist that he's being overtaxed? And are you going to make a reduction available for him right off the bat? Or are you just going to wait and make that an election gimmick? Or are you going to continue to sock it to the motorist, increase your bureaucracy as you have been doing, and continue to make the motorist pay more for less?

Or are you going to go into the glue like Manitoba? There is a very interesting article by Nick Hills which is in the very recent issue of *The Province* newspaper. "Ten Million Dollar Loss Predicted in Manitoba." Some of these statements are interesting.

"The Manitoba Auto Insurance Plan is now in deep financial trouble," it says. "Lost more than \$10 million in its last fiscal year, despite a 9.5 per cent increase in basic coverage rates for the current 12 month period.... It appears as though the plan is losing another pile of money and that rates will have to be raised again in 1975."

Is that what we're to face here, Mr. Minister?

"The Schreyer government has not been above

[[Page 3515](#)]

playing sly politics with car insurance."

Just the same thing that's going to happen in the Province of B.C.

HON. R.M. STRACHAN (Minister of Transport and Communications): That was an editorial comment.

MR. GARDOM: He says that that was an editorial comment. Listen to this: "Schreyer has not been above playing sly politics with car insurance." Is this or is this not sly politics? It reduced premiums some time before the 1973 election and raised them after it was returned to power. Well, if that's not sly politics, Mr. Minister, what is? And you're going to practise just those kind of sly politics.

"There is good reason," the article says, "to believe that the NDP government knew before the election last June that Autopak was in deep trouble and was heading for the kind of deficit that would result in premium increases. Premier Schreyer said he did not know the extent of the problem at all."

Well, we've certainly had a lot of feigned ignorance in this House too, Mr. Chairman, through you to the Minister.

"However, the Autopak officials have now made this denial of Premier Schreyer seem shady."

"Like the new B.C. Insurance scheme Autopak reduced the premiums for young drivers when it took over from private industry. As the plan's general manager, J.O. Dutton" — an individual I'm sure well known to all of you over there — "put it, it was logical in some ways that you should not be charged extra because you are in a certain age group. But as a group, the accident rate is there. We are now saying" — this is Manitoba — "his own driving experience will determine what his rate will be."

And I suppose that's certainly going to be the policy here. He carries on:

"'I'm going to catch hell for this,' he continued, 'but I have a theory also that there's been an easing of enforcement of traffic convictions and laws. The police are involved today in things that have higher priority.'"

And you are certainly following that practice in the Province of B.C.

"Dutton should know what he's talking about because he ran the Saskatchewan government's car insurance scheme for five years before coming to Manitoba."

That's a pretty good forecast, Mr. Chairman, of what's going to happen to B.C.

So again let's take a look at some of the Minister's figures. He says on page 7 of his report that there were 24,000 claims in one month. By multiplying that by 12 we could estimate 288,000 claims in a year. It's a sample to go by. But that would be more than that, because we're running one million cars, according to his figure of 24,000 claims.

But in his report he forecasted that the number of vehicles in the province is going to increase to 1.4 million, which is 40 per cent up. So if you take 40 per cent up again of the estimated claims — and again you're using relatives to relatives; the figure is a genuine figure according to these statistics — we could find the increase in claims from 288,000 projected to 403,000. That could be anticipated.

Now let's take a look at the dollars. Then we really do get into a sad picture. The losses, according to the Minister, at page 7 for this one month are \$11.3 million in a month. Those are the losses paid out, not the losses of the ICBC — the claims paid out. Multiplying that by 12 we can estimate annual losses of \$135 million.

But by virtue of your policies increasing 40 per cent, as you said in there, from 1 million to 1.4 million, go ahead and put in a 40 per cent increase on that claim or loss figure of \$135 million and it increases it by \$54 million. You get \$190 million in round figures of anticipated losses for the period March, 1974, to March, 1975.

Now if you go back to the revenue figure that I utilize — and I again say it is on the generous side, save and except the pumping in from government facilities of lifeblood, which is going to come — if you utilize that revenue figure of \$227 million, and you take off \$190 million losses or claims, you're only left with \$37 million, which has got to pay for capital expenditures, administration and the biggest question of all, plough back, which has now

disappeared as far as I can see. Because of the \$37 million that is left after deducting the claims of \$198 million from revenues of \$227 million, you've already labelled, Mr. Minister, \$20 million for capital expenditures. So that leaves you \$17 million for administrative expenses and plough back.

Again referring to this article here, you have the precise figure here; Manitoba was working on 12.4 per cent for administrative expenses. Okay, well, if you go ahead and use their figure of 12 per cent on the \$227 million, you'll find that administrative expenses of \$27 million would put you \$10 million in the red right off the bat.

I don't know what your administrative expenses are estimated to be. You haven't given any indication of that in your annual report. But you've got \$17 million left on these figures to utilize your administrative expenses and hopefully some plough back to give the motorist a break; and it's just too thin. It's absolutely too thin.

What is your administration? I should say, you've shown \$11.5 million for 10 1/2 months.

Okay, then you're running roughly \$13 million, on

[[Page 3516](#)]

the basis of experience, but that again is incorrect for administrative expenses because your volume has increased by 40 per cent, according to your figures.

So there's no plough back available at all. You're charging more, it's costing more, and I say without cooking the books and subsidizing the motorist out of other programmes, out of the electric light bulb, you'll never ever be able to reduce his net costs. But you're going to increase it. You've decreased coverage, you've increased bureaucracy, and you've certainly increased the overall public costs through the loss of tax revenues. And all of this for an election gimmick.

If you can't trim off some fat, let the private sector compete. If they can come up with a better package, why not? What's wrong with that? If the private sector can come up with a better package, better coverage, less cost and better service to the motorist in the province of B.C., what does it matter if the motorist in the province of B.C. be socialist, capitalist, NDP, Social Credit, Conservative, Liberal or Mahatma Gandhi's uncle? Let them have that opportunity.

Now I'd like to look at a few items on his schedules here in this report — page 15, schedule B. This is the start-up costs of the Insurance Corporation of B.C. He's furnished to this House a statement of these costs and the balance sheet. He's the principal officer in charge of the policy direction and overall administration of this programme, and I'd like to ask him for some particulars of these things because I don't think it's just enough to put in these enormous figures without furnishing a breakdown such as any accountant would furnish at the annual general meeting of any company.

You talk about computer systems — \$2,934,000. Who got that? Was it by tender? If so, why not? Please furnish me with a breakdown. Also, what are your projections for the 1974-5 fiscal period for computer systems? Have you got an administrative cost projection for the period ending March, 1975?

Public information — \$833,000 spent for 10 months in public information. Who got that? What sort of public information? Was it tendered? Give us a complete breakdown and let's have your estimates for the next fiscal period.

Similarly with consulting services — \$707,000. Who received that \$707,000? Are you going to have that same type of expense estimated for the next period?

Staff recruitment. What does that mean? Who did it? What were the results? Is this a continuing policy? Is this a repeating item of expense?

Office facilities — \$130,000. Again, similar questions to you about that.

Now I refer to page 14 of your report and I direct to you similar questions concerning leasehold

improvements at \$265,000. Where did that go?

Furniture and equipment — \$1,280,000. You don't answer questions, Mr. Minister. This has been your pattern since you've taken this portfolio. Furniture and equipment — \$1,280,000. Mr. Minister, the ICBC's got the largest conference table in the Pacific Northwest. It's so big it would make the Minister of Human Resources' (Hon. Mr. Levi's) desk look like a breadboard. Somebody suggested, as a matter of fact, that you could put a sail on the thing and it could have won the Swiftsure. (Laughter.)

HON. MR. COCKE: We use it to roller skate on.

MR. GARDOM: Well, you could even use it to roller skate on. You need a loudhailer to communicate with one person from one end to the other, it's so large. Make no mistake of that.

Let's have some particulars of these purchases. Are they all, warranted or are they frills that are not requested and not wanted and certainly unwarranted from the viewpoint of the B.C. taxpayer?

Would the Minister inform us of the reasons for nominating the Royal Bank of Canada as the bankers for the Insurance Corporation of British Columbia? What was the deal there? Was the business tendered to other banks or were there any trade-offs? Let the public have full particulars.

Now we find on these fixed assets that you're talking about in here...and this again is an interesting point, Mr. Chairman. I'd just like to ask the Minister why he feels it is necessary for him to wait the better part of nine months to answer questions as to what is intended by this corporation concerning fixed assets because, Mr. Chairman, in the early part of the fall session, when it had been going for very, very few days, I asked the Minister for full particulars of the capital cost expenditures that had been entered into and contemplated, and he never answered the question once. It was asked him during question period and he waived it in question period and the only thing that he did was in the final day of the session to put in a little answer. He stood up with a great smile on his face, thinking, by gosh, all of the problems are gone. "Your answer's there, my friend," he said. I went to find the answer, and it just said "Wait until the annual report comes out," or something along that line. That's not good enough. We want to know what these projections are.

You say you spent \$14.6 million on fixed assets. Your land values seem to be twice as high as your construction costs, which is odd. How come? Did you buy the most expensive land that you could get? Some people have been arguing, Mr. Minister, that the headquarters of the Insurance Corporation of B.C. should not be in one of the highest pieces of real estate west of Toronto but should be in some outlying area where there'd be, apart from anything else, less traffic congestion, increasing traffic

[[Page 3517](#)]

congestion for the city, and maybe even more pleasant surroundings for those involved, but certainly at less public expense.

You've estimated \$19.1 million capital expenditures for 1975, plus \$6 million for leases. Now that's nearly \$40 million that are being spent on capital expenditures and leases in two years alone. You're going to need an awful lot of red ink, as far as I can see. Where are you going to spend this \$19.1 million that you've referred to in your report, Mr. Minister, in 1974-75? Where is that money going to be spent? How much have you projected for capital cost expenditures also for 1976?

The Minister at times has been called evasive, and the people who called him that were called to order. But the Minister has not answered questions. At last count there were 10 on the order paper which should have been answered before his estimates came up.

Interjections.

MR. GARDOM: There are 10 unanswered questions. You haven't answered those so we'll have to ask them

of you now because we want to have these answers before your estimates are finished, Mr. Minister.

How much money has been budgeted or projected for ICBC advertising since its inception, and how was that allocated — radio, TV, billboards, receptions, tours, information kits, newspapers? What advertising agencies received that money? Why hasn't he answered that question before? This question was asked by a colleague from Saanich and the Islands (Mr. Curtis) at pretty well the beginning of this session. Why haven't you answered that question? What are you trying to hide?

Here's another one: has the Insurance Corporation of B.C. acquired by purchase or lease any land or improvements since April of 1973? It asks for full particulars. What specific places? How much money has been paid? You have all of that information and you're supposed to be held to account.

Mr. Minister, if you were the secretary or treasurer of any company at any annual general meeting of the company, any shareholder would be perfectly entitled to ask you these questions and you'd have a responsibility to answer, and you have an even greater responsibility as a Minister of the Crown to answer. And the taxpayers of B.C. are asking these questions.

Has the Insurance Corporation of B.C. employed any persons for salaries or wages in excess of \$20,000 a year? Who are they and what number? Why haven't you answered that question? It's public money you're spending, not Bob Strachan's money, you know. The public's entitled to know where it goes.

Is the government giving consideration to the introduction of appropriate driving tests for those drivers who drive campers, motor homes or tow trailers? A very good question. Why haven't you answered that one, for goodness' sake? What's wrong with you?

Interjections.

MR. GARDOM: Well, in my list you haven't.

Another question. What, if any, has been the total advertising purchased on behalf of ICBC from April, 1973, to January, 1974? What agencies? Again requesting full particulars of these moneys that have been spent. It's not just the Members of the opposition parties, Mr. Minister; it's Members of your own party and the general public who feel value has not been received. The public think they're being ripped off by these kinds of phony ads that you've been putting out.

Interjection.

MR. GARDOM: Information ads, my foot. You're just trying to bolster up a weak performance — that's all it is.

Here's one which is more specific: is H.B. Earl employed by the ICBC? It makes a request as to salary and responsibility. Similar request to E.J. Foote. Why isn't that answered? What are you trying to put under the rug?

Another question: in how many newspapers did ICBC place the full-page ads which I've been referring to? What is the breakdown between weekly or semi-weekly? What is the total cost? Why are you hiding these answers from the people of B.C.?

Here's the one that I put to you again: what are the amounts of capital cost expenditures expended to date? Well, you've indicated that in your report. And for what purpose by or for the B.C. Insurance Corporation, furnishing full particulars? And what are capital cost expenditures estimated or projected for the future, furnishing full particulars?

Mr. Minister, it seems to me that the automobile insurance plan which you've brought in contrary to your promises to the general public, contrary to giving them an opportunity which they rightfully have in a democracy to make freedom of choice, is being used as a political vehicle.

If you're going to level with the Province of B.C., why have you not done so before? Why is it necessary for a person to stand up in these estimates and have to go through these questions that have been asked you ad nauseam?

If it's in trouble the public should know about that. If it's not in trouble the public should know about that. But you are creating an aura of suspicion and disenchantment.

I again say that the very best thing you could do is say that you will permit the private sector, if anyone wished to do it — gosh knows if any of them would

[[Page 3518](#)]

today — the opportunity to compete against your plan. Let people have the freedom of choice.

But most of all, Mr. Minister, we've got to have answers from you to these questions. They've been raised by individuals. All of these letters which I have received are not from insurance companies; they're from people. They are people who don't support the philosophy of this government, which is the majority of B.C. citizens. They have a right to be heard; they have a right to ask the questions. You have a responsibility to answer them.

HON. MR. STRACHAN: The Member who just took his place after talking for an hour....

MR. GARDOM: No.

HON. MR. STRACHAN: Just about an hour.

MR. GARDOM: No.

HON. MR. STRACHAN: Oh, I know when the House started.

MR. GARDOM: Your time is wrong.

HON. MR. STRACHAN: It's obvious that this man has been carrying with him a deep-seated bitterness about the...

SOME HON. MEMBERS: Oh, oh!

HON. MR. STRACHAN: ...about the embarking of this government on a great social project.

MR. GARDOM: I've never been bitter to anyone. Now, cut it out.

HON. MR. STRACHAN: A deep-seated bitterness which has warped his judgment, destroyed his sense of humour, for which he was once so famous, and tuned him right out of what has been said in this House. He has made it very obvious to everyone that when the Member stands up in this House and speaks about insurance, he's fronting for the private insurance industry of British Columbia. No question about it.

MR. GARDOM: Humbug!

HON. MR. STRACHAN: No question about it.

MR. GARDOM: Humbug!

HON. MR. STRACHAN: I didn't know, Mr. Chairman, that in order to get a judge-ship in the Province of British Columbia you have to act as a messenger boy for the private insurance industry. I didn't know that.

SOME HON. MEMBERS: Oh, oh!

HON. MR. STRACHAN: But it's now very obvious that if you want a judge-ship in the province, that man thinks you have to be a message boy for the private insurance industry.

Interjections.

MR. CHAIRMAN: Order, please! The Hon. Second Member for Vancouver–Point Grey on a point of order.

MR. GARDOM: On a point of order. The Minister is in good humour. I've known him for so long that I can appreciate that he is talking tongue in cheek. However, we do have a *Hansard* and these remarks are recorded. The Minister is really suggesting something that I have an interest, which is contrary to my....

HON. MR. STRACHAN: No, I'm not.

MR. GARDOM: Oh, yes you are, when you're suggesting I'm fronting for a pressure group. You're suggesting that and it's an inference that I don't like, Mr. Minister. It's unfair, and I would ask you to withdraw.

MR. CHAIRMAN: Order, please! The Hon. Minister....

HON. MR. STRACHAN: I accept your withdrawal.

MR. CHAIRMAN: Order, please! The proper procedure is for the Hon. Member to correct him on a point of order, which we accept. Would the Hon. Minister continue?

HON. MR. STRACHAN: Thank you, Mr. Chairman.

The Member spoke about an aura of suspicion. He and others have been deliberately trying to create an aura of suspicion. That Member says I don't answer questions. It seems that I'm going to have to go through these questions that I've answered in this session and read them into the record together. That would take me from now until almost midnight. I have answered questions and, Mr. Member, you either don't read *Hansard* or you're away from the House so much that you don't hear the answers I give.

You raised the item of the Royal Bank. Why did the Royal Bank become banker? I answered that question in this House. I told the Members of this House in answer to an oral question that submissions were called for, and they made the best presentation

[[Page 3519](#)]

and the best offer to ICBC. I said that publicly. I made that statement.

Interjection.

HON. MR. STRACHAN: They made the best offer of any.

MR. GARDOM: What was it?

HON. MR. STRACHAN: I haven't got the details here.

Interjections.

HON. MR. STRACHAN: That's not what you said. You said, "Why was The Royal Bank...?" — "Were tenders called?" I wrote the question down. You said, "Were tenders called?" I've already answered that question. But you're out of the House so much you don't even know what's going on here.

AN HON. MEMBER: Oh, oh!

HON. MR. STRACHAN: What other question did you raise? The headquarters in downtown Vancouver; it shouldn't be there. The Leader of the Opposition raised the question. I answered it, told them why and I agreed with them. No question. I said that. Where were you? You keep getting up, creating this aura of suspicion, and saying I don't answer questions. I've answered more questions than the previous administration ever answered about any

situation.

Interjections.

HON. MR. STRACHAN: It's all right. I have sat and listened to you for almost an hour.

AN HON. MEMBER: No, 40 minutes.

AN HON. MEMBER: Forty minutes, baloney!

HON. MR. STRACHAN: That melange of figures, Mr. Member, which you dreamed up is completely unreal. That melange of figures....

AN HON. MEMBER: They are out of your book.

HON. MR. STRACHAN: No, they're not.

AN HON. MEMBER: Yes, they are.

HON. MR. STRACHAN: No, they're not. You started off with one figure in the book and you subtracted and you added and you estimated and you did all sorts of things with it. But your figures are not mine. I'm not going to be responsible for your figures or answer for your figures. They're yours, and you're stuck with them.

AN HON. MEMBER: Oh, oh!

HON. MR. STRACHAN: And you're stuck with them.

Interjection.

HON. MR. STRACHAN: No.

MR. GARDOM: Ah, ha!

HON. MR. STRACHAN: At one stage in the presentation of that set of figures you suggested that sometime in the future I would talk to the Minister of Finance and in some way money would be spirited from B.C. Hydro into ICBC because ICBC was in trouble.

At another stage in your presentation you came out with a set of figures which said you are going to have so much money left over. What are you going to do with it? Are you going to give it back to the people now in a refund, or are you going to do something about reducing the rates in the future?

Both sides of the coin. You've said everything about everything, and, as I say, you said both things. We're going to have too much money and we're going to give it back. Then you said we're not going to have enough; are we going to get it from B.C. Hydro? That's the sort of speech you were giving, Mr. Member, all afternoon. Completely contradictory in many, many ways.

I'll go back to where the Member started.

He commented on a statement I made the other day, when I said that anyone in the province has the right to go into the newspaper business. You said, "How about ICBC?" And I said, "That's different." You want me to explain why it's different.

Here's a Member who has been a Member of the bar of the Province of British Columbia for I don't know how many years. I understand he has a good reputation as a lawyer. But for any Member of this House who's a lawyer to stand up and say "What's the difference between a newspaper and an insurance company?" There's a law in this province that I didn't bring in, that's been on the statutes for years. It's called the Insurance Act, which governs

the right of any group or any person to go into the insurance business. The section says....

Interjection.

HON. MR. STRACHAN: But just let me read the Act. You're a lawyer; you know the Act. And you have the colossal gall to stand and make the ignorant

[[Page 3520](#)]

statement you made: "What's the difference between a newspaper and an insurance company?" I'll tell you the difference. Just listen.

MR. GARDOM: You've got a warped philosophy.

HON. MR. STRACHAN: Just listen. The Insurance Act:

"This Act, except as hereinafter provided, applies to every insurer who carries on any business of insurance within the province, and to every contract of insurance made or deemed to be made within the province."

That has been on the statutes for years. Show me an Act in this province that applies to newspapers in that same way. There isn't, of course. But you say, "What's the difference?" Later on it says:

"No insurer shall, unless he is licensed, carry on any business of insurance within the province."

Interjection.

MR. GARDOM: That's too silly to answer.

HON. MR. STRACHAN: Well, it was a silly statement you made. I thought you knew better. You're now admitting you did know better, and I suppose it was a phony, flim-flam argument you were trying to make. Completely different.

He talks about a number of other things too. Let me get to some of them. He talks about the inclusion of investment earnings. He wants to be sure investment earnings are recorded and used as part of the total operation.

I've said many times that the auto insurance plan is a completely separate plan. The interest earnings will all go in to reduce premiums. I've said it time and time again. Why don't you listen?

I want to quote from this morning's Province. The private industry didn't do that but we are. In this morning's Province, Mr. Alan Horsford talks about hindsight.

MR. J.R. CHABOT (Columbia River): What else did he say?

HON. MR. STRACHAN:

"In hindsight,' Horsford said, 'when the insurance industry presented its side to the royal commission in 1968, it should not have talked about underwriting losses and not taken into account the return on investment of policy-holder funds.'

"He said his recollection is that companies took the stand that investment income was 'shareholders' money.' Now he believes 'such reasoning is nonsense. How can you argue in that kind of way?'

"He explained that the invested funds, premiums paid and claims reserves which are part and parcel should have been taken into account."

They didn't do it, but we are going to do it.

MR. G.F. GIBSON (North Vancouver–Capilano): What else did he say? He said there should be

competition.

HON. MR. STRACHAN: He said there should be competition. I read the section again; I'm sorry if you weren't here. I read a quote from a well known individual in the insurance field who said that competition was going down the drain as far as.... Here it is.

"Government competition." This is in the *Canadian Underwriter*, February, 1974. The gentleman is president of the Canadian Indemnity Company, a man by the name of Harley Vannan. He is talking about the situation in the insurance industry in Canada — talking about competition. He says:

"I want to tell you some of the things that go on. It's very interesting to watch. And I can tell you my company will be watching on the sidelines and not participating.

"Because, perhaps, we're not then going to be confronted with this stupid competition that gets us all nowhere except further and further down the drain."

That's what he said. That's what the private insurance industry is saying today. They want no part of competition because it gets them "further and further down the drain." "Stupid competition," he said.

Interjections.

HON. MR. STRACHAN: That's what he said. I read the rest of it; there you have it.

Interjection.

HON. MR. STRACHAN: I'm going to, but the Member did.

The reason we went into the insurance business was to do a better job. I want to read you some of the letters I'm getting. Let me read this one to you:

"About a month ago a lady backed into my fender while my car was parked. She came and told me about it.

"I took it to an ICBC centre and two days later it was all repaired again. I had even forgotten about it when I got a call from Mr. Pettie of ICBC, wanting to know if my car was fixed and if everything was all right. I told him

[[Page 3521](#)]

I was very satisfied. In all my dealings with insurance companies I had never had that courtesy. Keep it up and good luck."

AN HON. MEMBER: Hear, hear!

HON. MR. STRACHAN: Another one:

"As a driver in B.C., I cannot tell you how grateful I am that you took over the car insurance in B.C. Autoplan has, as you say, a more humane attitude toward the problems encountered in driving today. As a result, there will be far less injustices, better driving records and lower costs incurred in accidents."

Another one:

"Congratulations on such a fine job in getting Autoplan in operation, first to yourself and then to Mr. Bortnick and Mr. Porter."

MR. N.R. MORRISON (Victoria): Signed, "Mother." (Laughter.)

HON. MR. STRACHAN: No, it's from someone from Chilliwack. (Laughter.) As a matter of fact, my mother has been dead for a good many years.

"No criticism this time. Anything needing a second look will, I'm sure, get it."

MR. D.M. PHILLIPS (South Peace River): Author, author!

HON. MR. STRACHAN: It's someone up in Chilliwack.

MR. PHILLIPS: You can't even give the author.

HON. MR. STRACHAN: I'm not going to give the names of the people. I didn't ask this Member for the names of the people whom he was quoting.

"I'm writing you this note about ICBC. My wife was involved in an accident on March 4. That same day we went to ICBC offices in Delta and received fast, efficient and friendly service from your agents.

"I have had experience with the old insurance companies, and it was always a hassle. I will certainly pass on my satisfaction to my friends. My compliments to your staff."

More:

"Dear Sir,

"I picked up my car today completely repaired. Everything okay. Claim No. (so and so). Regards and thanks for prompt and courteous service."

Interjection.

HON. MR. STRACHAN: I'll read you letters; I have lots here.

"I received the enclosed in today's mail." We told them which form.

"Incidentally, I would like to thank you for your courtesy and kindness to my wife and I, May 6, when we reported our mishap.

"I would like to thank you and your staff for the prompt and courteous service. I could not hope to have any better service from any insurance firm."

Another one:

"I just wish to express my appreciation to you and your staff in the way you handled my claim. Being in such a depressing situation, I thought Mr. D'arcy handled my case particularly well. To my amazement, the claim was settled right there and then within an hour. Again, my compliments to you and your staff."

AN HON. MEMBER: Mr. D'Arcy?

HON. MR. STRACHAN: No, it starts with D H. (Laughter.) It's spelled differently. Mr. D'arcy is an employee. In other words, "D-H-a-r" It's on the notepaper of a private insurance company, by the way.

"I would like to thank you and ICBC for the prompt and efficient service we have had up to this point."

Another one. I'm just using one pile.

"As ICBC grows older and probably bigger, I hope it will continue with the human touch which I found so wonderful in my experience."

He's talking about the courtesy of the people and the fast service.

"Thank you so much for your prompt return and prompt action with regard to my comprehensive claim. I received cheques for (so and so) today. I really didn't expect it quite so quickly. Again, thanks."

Another one:

"Just a note to thank you for the fast, courteous and fair treatment re the loss of my Volkswagen. If my case is typical of the treatment accorded by ICBC claimants, the public shall be well satisfied with the change in auto insurance."

As I say, I've got a bunch more here I could read, but that gives you an idea of the reception that our claims service is getting. I could go on as long as the other Member did, but I think I have told him. I have answered dozens and dozens of questions. Some of the questions were asked previously. There are questions on the order paper; 10 of them there, I know.

AN HON. MEMBER: Answer them now.

[[Page 3522](#)]

HON. MR. STRACHAN: No, they're on the order paper. Thank you.

MR. GARDOM: The Hon. Minister attempted to make great hay out of the figures I utilized in attempting to estimate....

HON. MR. STRACHAN: They were not realistic.

MR. GARDOM: He says they're not realistic.

HON. MR. STRACHAN: They're your figures, not mine.

MR. GARDOM: Just let me make the point. He attempted to make great hay out of the figures I was utilizing in estimating where this insurance corporation is going to be at the end of the fiscal period, March 1974 to March 1975.

The figures I used were the only ones I could find and utilize, and were the ones that came out of the Minister's own report. By being generous and putting in \$20 million for interest income, which you have not told this House one bit about as to what your estimate of this is going to be, I arrived at \$227 worth of auto premiums, including interest income, for this period.

Okay. Again, using your figures, and multiplying them out and estimating for the fiscal period, I came up with \$190 million worth of claims. Using your figures, therefore, there is \$37 million left. Using your figures, Mr. Minister, there is \$20 million for capital expenditure which leaves \$17 million for administration expense. Using Manitoba's figure of 12.4 per cent for administration, that is \$27 million. It produces a \$10 million loss for ICBC.

If you don't like my figures, you've got your figures. Where are your cost projections? Tell the people of B.C. That's absolutely disgraceful. You've got those figures, and you're refusing to disclose them to the Province of B.C. Make no mistake of that fact.

What are your projections of claims? How much are they going to be? You have that figure, so don't suggest for one second that you don't because I will never accept that as being a fact.

Why won't you tell us when you have it? What are your projections for administrative expense? You've got that; you can't tell me these people down there with their computers and their expertise haven't figured that out. If they haven't, they should all be fired. They've done that job for you and you're keeping it under the rug.

You have only furnished us in your statement with two items: premium income and capital cost over this fiscal period.

Using your figures, there is a \$10 million loss. And you snort at me. You haven't given the public any information whatsoever. Little wonder you are labelled with the word "evasive."

MR. A.V. FRASER (Cariboo): Maybe I can get some answers. I'll try.

First of all, this is the Department of Transport and Communications and it existed in a very small way a short time ago. Now the budget has risen from \$63 million last year to \$72 million this year. It's quite an important portfolio and covers a lot of government activity, Of course, I'd be remiss if I didn't say a few things about Icky Bicky. I would first of all like to say, Mr. Chairman, that I was surprised at the leader of the Liberal Party (Mr. D.A. Anderson) here on Friday opposing that postage-stamp rate for automobile insurance. I would like to tell this House that every citizen in the Interior or the north of this province are second-class citizens when it comes to car insurance rates. I resent the fact that a leader of a political party of this province would say they shouldn't get postage-stamp insurance rates, because they certainly are entitled to it.

As far as the Interior and the north are concerned, on the institution of Autoplan by this government their insurance premiums advanced 25 per cent on the average through all that part of the country. I realize that didn't happen on the lower mainland, but it did happen in all the rest of this province. The citizens don't understand. They can't go and shop for a rate to find out whether it's competitive or not because of the monopoly situation that exists here.

I think we've probably heard enough about that, but I want to repeat that the way that it is operating now, we have second-class citizens in the Interior and the north of this province and I resent that and so do they. I certainly resent the remarks of the Liberal leader in the Province of British Columbia saying that he was absolutely opposed to it because a few Victoria citizens' insurance rates might go up.

I might say to the citizens of the lower mainland and the lower part of the Island that the Interior and the north are fed up sending their natural resources down here and forever supporting them and getting charged for government services over and above the rate that you pay down here. Certainly they should be given consideration. Institute a postage stamp rate.

I would like to comment, Mr. Chairman, on the refunds that the Premier of this province promised when they got in a bind and found that they had made all these horrendous mistakes on premiums. Nobody would pay more than they paid in 1972. Mr. Chairman, that's just so much garbage because nobody could even figure out the form and you can't get the identical circumstances to qualify.

Another thing that is happening is that where people have two vehicles they accept the claim of refund on one at say, \$49, and the second vehicle has an increase of \$140 and they rejected that. I'd like to

[[Page 3523](#)]

know why, if the person is in the same territory and the conditions are the same on both vehicles — and I'm not talking about companies, I'm talking about individuals here — how can you accept one refund and reject the other one? Is that your policy, that an individual can only get one refund? I haven't read that anywhere, but that's the way your administration is administering it. They are turning down anyone who applies for more than one refund. We have a lot of citizens who have more than one vehicle, and I don't mean commercial vehicles — private vehicles.

Another thing, Mr. Chairman, is going on in the Interior. The Minister there was proud of the few letters he had congratulating him about claim services. I would like to tell him something about what is going on, again in the Interior of this province. I brought it up on the floor of the House with a question in the question period, and he very rightly or wrongly swept it under the rug. He said it wasn't right. I want to repeat that it is still going on.

I refer to the situation with the body shops all the way from Clinton in the south — to Prince George in the north. There isn't one body shop who will work for you at the rate you want to pay. It is affecting the motorists up there right now. You haven't got any claim service, period, because nobody will work for the rate that you're trying to offer. You're out now giving the rate to Port Alberni at \$16. What's so good about Port Alberni that you can't pay that rate in the Interior of this province?

Because of this, accidents are taking place all the way through the central Interior, including the metropolis of Prince George, and the only way you can get a vehicle fixed in the whole Interior of the province is by paying \$1.50 an hour surcharge. That's what the citizens are doing. After being gouged by you for 25 per cent increase on

insurance premiums, now they even have to pay for part of their claims.

It's a shameful condition and whoever advised you has given you wrong advice, Mr. Minister, that this isn't going on in the Interior of the province. Every qualified body shop won't work unless they charge the motorists \$1.50 an hour and you should hang your head in shame to let this go on. It's been going on now ever since you went into business. You know about it and you won't do anything about it. I'd like to know why you segregate that part of the country. I'm glad to hear that some people are getting service, but I'm telling you there's a lot of people not getting any service at all and they want service.

Getting off the insurance bit, but tied to it to some degree, are drivers' certificates. I've had no end of correspondence from people who can't understand how the driver's certificate is arrived at or how the rate is arrived at. I have petitions here with 200 names on them and so on and so forth. I'd like to read the wording of the petitions, and I'm referring to the driver's certificate:

"We the undersigned citizens of Quesnel would like to show our disapproval at the way Autoplan is being shoved down our throats. If this point penalty programme is fair, why are you charging us for a previous three-year period? Those of us who have gotten points off our driver's licences have either paid for it by being fined or by going to jail or by losing our right to drive.

"Our insurance rates were raised for the offence we made and we have paid a \$25 fee for a licence in order to drive again. Now we are being charged over again at a tremendous rate. We feel that something should be done about it."

So while a lot of people think the driver's insurance is a good thing, and these people with points should be penalized, there's a lot of them of course that are affected up to the amount of \$400 for a certificate. I can assure the Minister that they're not very happy about it. Another thing I took up with this Minister by correspondence. I want to bring it up on the floor of the House here and I hope the Chairman doesn't rule me out of order. I'm referring to the mandatory provisions in the Motor-vehicle Act where people over 70 years of age and 80 years of age must submit to a medical if notified by the Superintendent of Motor Vehicles. Mr. Chairman, when that happens, these elderly citizens are charged for that medical by the family doctor because B.C. Medical Plan will not accept the charge if they have been ordered to have this medical so they can continue to retain their driver's licence. I have a letter from The Minister of Transport saying that he would take the matter up and that this has been in effect for many years. I'm aware of that, but these people are going to change everything. I say it's a hardship on everybody over 70 years of age — senior citizens — and we should be looking at changing this so that the B.C. Medical Plan will pick up this bill for these senior citizens who must, because they are ordered by the superintendent, have a medical.

I can tell you, Mr. Chairman, that I don't imagine this Minister's had the time to take this up with the Minister of Health and I wish he was in here, but I have. I have this letter and in no way will he even consider accepting this charge under B.C. Medical Plan. I would just like to read a paragraph from his letter that I received from the Minister of Health on May 16:

"In the first analysis, services of medical practitioners under the plan are cost shared by the federal government and both the federal and provincial Acts provide that such services to qualify as insured services are only those

[[Page 3524](#)]

medically required by the patient. An examination of a person at the request of, or required by, a third party is not a service sought by the patient due to some health symptom or condition or determined by his physician as medically required for his patient.

" Further, to include drivers' medical examinations that are a requirement for licensing opens the door to equal demands for coverage for examinations required by camps, employers, schools, insurance firms, et cetera. I even recall some senior citizens' cooperative housing projects that required medical examination of prospective participants.

"I do not contemplate the medical services plan including such coverage in that context. The plan would not knowingly pay a driver's medical examination as such."

Well, I don't agree at all, and I would solicit the Minister of Transport's (Hon. Mr. Strachan's) assistance in changing the Minister's mind. I don't agree that if he opens it up for senior citizens who require this medical that he's

going to open up all the doors that he says he has. That's an administrative matter and I can't buy that.

It has been brought to my attention that it is causing financial hardship to some senior citizens. I certainly would again ask this Minister to look into this financial hardship that it's causing these people. While I'm on the subject of vehicles, I'd like to bring up another subject which I don't think has been brought up. The Motor Carrier Commission comes under the jurisdiction of this Minister. Maybe I'm calling it wrong. It has been brought to my attention from taxi operators in the Interior that everybody except those in the City of Vancouver, I believe, have to go through the commission for approval of revision of their rate schedule. They're taking up to six months, Mr. Minister, to process their applications for rate increases. You know what has happened. Taxi insurance rates have gone up; the vehicles have gone up; the fuel has gone up.

I understand the problem: there is a dedicated staff over there but there's not enough staff. Every other department of government has been able to hire all the staff they want and I'd like this Minister to look into that and see if he can't speed up the service there. It doesn't appear that they have any real problem in approving the rate increases; it's just the time they take. We're going to have independent operators going broke because of the increased costs that are going on to them for fuel, wages, vehicles and so on. They are going on every month and they must have the approval of this branch to pass it on to the public, who, of course, have to finally pay it. I think something could be speeded up in this department.

One other item, I don't know if it comes under this Minister or not. Every time we ask the Minister of Public Works (Hon. Mr. Hartley), he says it does. I refer to the telephone service in this building. In fact, Mr. Chairman, we haven't got any telephone service. All we do all morning is dial and get a busy signal. It's getting worse, not better.

I would like to know what you are going to do about it and when. It's a waste of time to try and use the telephones in this building. Even to phone locally, never mind long distance, you just get a busy signal.

I don't know whether Telpak comes under you or the Minister of Public Works, but I hope you'll face up and tell us what you are going to do and when. The Minister of Public Works is always sliding out from under and saying it's under your jurisdiction. We certainly need better service than we have. When you get a busy signal, even just to dial a local number in Victoria out of this building, it's absolutely ridiculous.

I think that's enough for now and I hope I can get some answers from this Minister on the few points I've raised so far.

HON. MR. STRACHAN: I'm glad to hear the Member say he supports postage stamp rates as an ideal. It certainly must be our ideal and objective to bring equality throughout the province. I indicated very clearly last Friday that that is our objective.

I'd like you to give me the cases where some individual has been refused a refund on a second car because it shouldn't be. If you give us particular cases we'll have them checked through.

Interjection.

HON. MR. STRACHAN: I'm going to check it out immediately. My understanding is that in Prince George, Quesnel and 100 Mile House, the body shops are accepting. We go to them with an estimate: will they do the job for this much money? They say, "Yes." It's my understanding that that's the situation in those areas now. We go to them, we offer them this much money for the job and they accept it. That's the latest information I have as of this morning, but I'm checking to be sure to see whether or not they are adding surcharge after it. They're not supposed to.

AN HON. MEMBER: In all cases?

HON. MR. STRACHAN: I'm not talking about what has been going on in the past; I'm talking about what happens now. There's a new procedure. It used to be that they were just given so many hours for fixing it. They took this to a body shop and the body shop would do that. Then they would charge the individual \$1.50 or \$2 an hour extra. Now they don't get an hourly estimate; they're offered a certain amount of money to do the job. I understand

they're

accepting it. I want to know, and will check this afternoon, if they are still asking the individual for more money. It's a completely different system to the one that existed before.

AN HON. MEMBER: They are.

HON. MR. STRACHAN: They are. Well, that's what I wanted to know because they're not supposed to be doing that. When they accept that amount of money to do that job, that's supposed to be all. No additions; no surcharges; no charge on the individual at all, except perhaps for any deductible he may have. That's not supposed to be what's happening so we'll certainly check that one out.

Driver's certificates. Again, the concept is part of the total concept. As I explained earlier, it's a base on which to place the surcharges for bad driving records. It was part of the total amount, except I said a year ago when I put through the legislation that this would be a base sum, a nominal sum which is, as you know, \$10 a year. It was part of the total base on which we were basing the insurance operation.

The charges for driver's examinations. I haven't had a reply. I sent a letter to the Minister after you raised it in the House and I haven't had a reply from him yet. Evidently, according to you, he said it's part of the federal-provincial agreement.

Now, some doctors actually do it for nothing and some charge a nominal \$5. I have cases where they'll charge as much as \$15 to do that rather limited examination required under the Motor Vehicle Act. If we ask the medical plan to do it, I suppose then every doctor would charge the scheduled rate for such an examination.

MR. G.S. WALLACE (Oak Bay): It's just like the plumbers and carpenters.

HON. MR. STRACHAN: Yes, that's right. But, as I say, some doctors do it for nothing now and some do it for a nominal \$5. I have a case where it's \$15.

The Motor Carrier Commission. As a matter of fact, it was just today I received from the Public Service Commission the approval to put eight new staff into that Motor Carrier Commission. I agree with you. First of all, I sent someone in to re-examine the whole thing and see what re-organization and new procedures were required. Today I got the okay from the Public Service Commission for eight new staff in there. I'm hoping that will be improved.

I'm told since May 14 nobody has been surcharged in Prince George. That's the indication I have. We just checked. On the automobiles, no one has been surcharged since May 14.

If you have information that that's wrong, I'd certainly appreciate getting it from you with individual cases, if you can get a copy of the bill or whatever it was so we have it. That's the information we have.

Telephones. I agree with you that the telephone service in this building is unsatisfactory. No question about that.

AN HON. MEMBER: Stop hiring.

HON. MR. STRACHAN: Stop hiring. Well, you keep asking to do more work, more jobs.

Interjection.

HON. MR. STRACHAN: You see, I just told you that I've taken on eight people and that made this Member happy because the job required doing. You told me it required doing, but there are eight more people who are going to be using a telephone. Certainly, the number of employees within the government service has increased to meet the

kind of demands that the Member brought before this House this afternoon to do the job.

Interjection.

HON. MR. STRACHAN: A ship full-steam ahead needs a bigger crew than one that's tied up in a dock. A ship sailing full-steam ahead needs a crew. If you're tied up at a dock you don't need people. There you are.

AN HON. MEMBER: That's progress.

HON. MR. STRACHAN: The Sacred ship was tied up at the dock and was rotting there, with no crew and no services being delivered. But we're going full-speed ahead and need the help.

MR. CHAIRMAN: Order, please! Would the Members please address the Chair?

HON. MR. STRACHAN: That's why your telephone service is under siege within the province.

Interjections.

HON. MR. STRACHAN: Just a minute now. The people of this province want service and we are trying to give them service. It's not the easiest thing in the world. You can't just snap your fingers and get new telephone lines into this building. Just hear me out.

Interjections.

MR. CHAIRMAN: Order, please! Would the Members please address the Chair?

Interjections.

[[Page 3526](#)]

MR. WALLACE: It just shows there's one or two ways to get the floor in this House. My remarks will be fairly brief. I would like, however, to comment on the last two subjects which the Member for Cariboo (Mr. Fraser) raised. I think the telephone system has to be the most appalling waste of the Members' time in this building. While I respect the Minister's answer that...

HON. MR. STRACHAN: I haven't given my answer. I was going to give my answer, but he wouldn't let me.

MR. WALLACE: Well, if you like, Mr. Chairman, I'm very eager to hear the answer because I raised the issue about phones with the wrong Minister some time ago. Perhaps if we could have a little silence, the Minister could answer the question.

HON. MR. STRACHAN: The grade of service to all sectors of the building is continuously monitored by the telephone company traffic department. Results of these studies are analyzed at regular monthly meetings between ourselves — that's the people in my department — and B.C. Tel people. Orders for corrective action are placed when the need for such action becomes predictive.

The present poor grade of service is in the main the result of the substantial increase in the number of people using the system.

Secondary aggravating factors are misuse of the system such as off-hooking, long conversations, sometimes unauthorized calls, and some new uses of the system — you know, for data, facsimile, and so on. The problems now being encountered — I'll outline the problems and the proposed solution.

When one lifts the receiver, the dial tone is sometimes delayed. This delay can be anything from one second to 15 or 20 seconds. It is the result of too few line finders for the number of simultaneous calls being placed in that local. The solution is to install more line finders. These were ordered in mid-1973. With 15 months lead time, they

are expected to be installed by November, 1974. It has now been possible to advance this date to September, 1974.

MR. WALLACE: Where do they come from? Where are they made? Do we have to wait 15 months for that?

HON. MR. STRACHAN: They're made by the telephone manufacturing company that does it for B.C. Tel.

MR. WALLACE: And where is that, in the United States?

HON. MR. STRACHAN: Automatic Electric.

MR. WALLACE: Where?

AN HON. MEMBER: Where is it? In Canada?

HON. MR. STRACHAN: It's in Canada.

AN HON. MEMBER: Oh, that's good.

HON. MR. STRACHAN: But, as I say, we hope to have them by 1974.

When one dials 9 for an outside line, there may be a busy signal. This is the result of too few outgoing trunks connecting to the B.C. Telephone central office. As of this week the total number of out trunks have been increased from 70 to 93. This was dated May 7, so there has been an increase of 23 additional out lines.

When one dials a local in the 3000 group or the 6000 group, there may be a busy signal after the first digit. This again is a result of too few selectors in the exchange and the number of calls being made. Additional selectors were installed last month, and it seems the problem has been alleviated. But further additions are in order. It will correct that situation when we get these further additions.

When one dials 8 to get a Vancouver line, a busy signal is often received. This is due to too many calls for the number of Vancouver lines available. At the present we have a total of 57 lines between Victoria and Vancouver. Eight additional lines were ordered on March 25, 1974, and they will be installed before the end of this month, before the end of May. Further additional lines will be ordered to bring the total to 74 by the end of the year. It is expected that the eight lines going in this month will alleviate the problem.

Overload conditions also occur on certain other inter-city circuits. Here again the problem is to add lines fast enough to keep up with the increased traffic — and at the same time avoid waste of public funds which occurs if more lines are installed than is necessary. Traffic on these lines is continuously monitored and evaluated each month.

That's an indication of the fact that we're aware of the problem. I have charts which show the equipment rental and the cost and so on. But we are moving as rapidly as we can to update the telephone system within the buildings.

MR. WALLACE: Mr. Chairman, I would like to thank the Minister for giving us the facts and the figures regarding the telephones, because it is a most exasperating thing to try and do your job in the offices in the building and waste so much time not making contact with the caller or returning a call.

I just want to make a few comments about Autoplan because, while this subject may appear to be getting excessive attention, I think it has to be

[[Page 3527](#)]

recognized for two very fundamental reasons as requiring the most detailed attention of this House.

One is the political reason that it was a primary plank of this government in the election in August, 1972. I

think it was a very major factor in having this government elected to power. Many people, rightly or wrongly, accepted the political interpretation which this party placed on the provision of private automobile insurance and the zeal with which the leader of the NDP party in August trumpeted around the province, bragging that everyone, but everyone, who drives a car would have an insurance premium reduction of 20 per cent. It's right there in the clippings, Mr. Chairman, from the newspapers of August, 1972.

What do we have? We certainly don't have every automobile driver in this province having insurance that's 20 per cent cheaper. In fact, the situation is such that we now have the government bragging about a refund programme which in itself is a shambles. They're having to refund money to come even close to meeting the commitment which they made on the hustings.

There's no point in spending a long time on this point. The fact is that the government made a certain promise which was very appealing to the voter and the motorist and had a great deal of political value in having this government elected to power. There is no question about that.

They have not met that commitment. Although some people have had refunds, I've certainly got lots of letters — and I don't think it's a question of I read you my letters and you read yours. We've all got letters coming out of our ears on this particular subject. I have letters from people who are still paying more than they paid the year before, where the differences in situation are minimal.

Be that as it may, I just want to ask a first question of the Minister. Let us take, for example, a motorist who claimed and received a refund — for example, so the figures could be simple, from \$125 to \$100. I'm taking an arbitrary example. What I want to know is, what happens to his insurance premium next year when there is, for the sake of argument, a 10 per cent inflationary factor? Is the government going to add the 10 per cent to the \$100 as a base rate, or by this time next year will the government conveniently forget that it had to refund people back to a certain base figure and then add the annual increase to that base figure?

I think it is an extremely important point which I'm surprised has not been publicized more in the great degree of public discussion that has taken place on Autoplan and the premiums.

It's all very well for the government to say: "We'll keep our word that you will not pay more this year than last year." That's one thing. In fact, I don't think that was the promise they made at the campaign. The promise in the campaign was that they would reduce premiums. Anyway, the government at least has made an effort to demonstrate that nobody will pay more this year than last year. So with a complicated, bureaucratic system with all kinds of paper work and expensive advertising, it has developed a refund programme.

What I want to know is, what happens next year? I accept, as we must all do, that the costs of running this plan will go up year by year, and whether or not this government has proved that the private companies were ripping off the consumer or not is something else we could debate.

But I should be able to get a very explicit answer from this Minister, Mr. Chairman, that relates to automobile drivers who this year received a refund to bring their premium back down to what it was in 1972 or 1973.

When the next year comes around, will the necessary percentage for inflationary costs be added to the base rate or will the refund be conveniently added to that base rate and then you'll put the 10 per cent on top of the two? I think that's pretty important.

The other reason: I talked about the political value of this particular automobile insurance and I want to just touch on the financial aspect and the reason why we have to scrutinize this part of the Minister's responsibilities very carefully. Because there has indeed.... And I'm sorry to say this, because I personally thought more of this government in one respect.

I used to sit on this side of the House and listen to the NDP rip into the Socreds for their advertising — the ads we used to get from different departments which really were supposed to be just telling the people about anti-pollution campaigns or highway safety, or what-have-you, but which were very subtle advertising plans to promote

parts of government policy.

The Minister is partially correct in the answer he's already given, that there was a great deal of information to be propagated to the people of the province concerning ICBC, and I accept that. But this I do not accept — a \$4,400 full page ad saying "Thank you."

There's a lot of people in this province not the least bit interested in being thanked for what you've done with your 39 per cent vote and your monopoly insurance plan at great cost. This is the height of blatant politicking with taxpayers' money: "Thank you." I don't know what this cost, but it's a full page ad in *The Vancouver Sun*, March 1, and it appeared in *The Province*. I'm not only getting support from this side of the House, but we've got a quote from Prince Rupert in *The Vancouver Sun* of May 4, when the garrulous Minister of Highways is quoted:

"Graham Lea took another swipe at the

[[Page 3528](#)]

Insurance Corporation of British Columbia Friday night, saying that he suspects some of the full page ads represent an unnecessary expense to the taxpayer."

It goes on:

"If the ads don't give specific information about claims centres and things like that,' he said, 'then I think it may be a case of wasted money. It's something I'll take up with Bob Strachan' — Transport Minister and head of ICBC — 'when I get back to Victoria.'"

Maybe we can find out whether the Minister of Highways (Hon. Mr. Lea) took it up with the Minister of Transport, but whether he did or he didn't the fact is that I've heard a great deal of public comment about the advertising programme. The Minister has said he provided a service through ICBC and through the general insurance that's being sold, but the basic reason given for a government monopoly insurance plan.... We must never, never forget that the fundamental basic reason that was hammered home by this government for many years in opposition and on the hustings in '72 was that it would be cheaper, more economical, there would be no rip-offs because there would be no competition — this, that and the other, and many other points that I haven't got time to cover.

But what do we see in action? We see in fact that this government is spending taxpayers' money for its own political advantage. This particular ad that I chose has got nothing to do with conveying information to anybody, other than giving yourself a rather pathetic pat on the back because you think you've done a good job.

And what is a good job? We've got millions of dollars put out on claims centres that can't be built in time. We've got computer systems that can't be implemented in time. The basic premise, in fact, of forging ahead with a deadline, as was done, was wrong. What is the consequence of barging ahead before it could possibly be done efficiently and economically and under the deadline?

In fact, on this aspect of it, I wonder if the Minister would answer some of the questions that I raised in the budget speech — such figures as the fact that you have about 60 personnel — outside personnel, not people employed within the department as such — working on behalf of IBM and Woods Gordon Company. I quoted a figure of \$250,000 a month. The Minister pooh-poohed that, but he didn't come out and tell the House what the real figure was.

We know that he had to get an interim computer system simply because of the unreasonable haste and pressure that was being asked by the government. And then we have all this farce of computerization and the computer costs — which the Minister hasn't told us what they were in starting up. He pooh-poohed questions from the Second Member for Vancouver–Point Grey (Mr. Gardom) when he asked for a breakdown.

I understand the IBM personnel are not unionized, which is an interesting contradiction of this government's stated policy.

I understand the miniaturized calculating units which are being used — again it's a question of the government going first class — cost \$500 when you can get a much cheaper unit at a fraction of the cost with reasonable efficiency.

Interjection.

MR. WALLACE: The miniaturized calculating units, which I believe were bought at \$500 a unit. Once again, I'm happy if I'm wrong to be told I'm wrong, but just give me your figure, Mr. Minister, through you, Mr. Chairman.

What is the Johnston Management Company Limited? Where did they surface from? I'm told that they came on the scene fairly recently and are overseeing the whole of the construction programme for ICBC. Who is Johnston Management Limited?

I needn't just be tedious and repetitious, but I do feel that the question asked about Mr. Adams and his...not only the reason he was fired, but if this is an open responsible government spending \$70,000 worth of severance money, or whatever the figure was, I think the people of the province are entitled to know why, and what the sum of money was.

HON. MR. STRACHAN: I answered that. It was a question on the order paper.

MR. WALLACE: How much? \$70,000?

HON. MR. STRACHAN: I forget. The answer is on the order paper.

MR. WALLACE: On this general theme that I happen to feel that the spending of money has been reckless, excessive and irresponsible, this Minister has often said: "Do your homework. Don't come here and lay charges that you can't support." Well, I would like to lay a charge right now, and I hope the Minister is listening carefully because I think I've done my homework and I think I've got the figures.

It relates to the installation of carpeting on the 33rd floor of the Royal Centre. It was my information that Harding Telemark acrilan carpet was laid at \$5.60 per square yard, with a cost of \$63,000, and that the carpet was cemented to the floor. Now the interesting thing is that somewhere along the line, Mr. Chairman, somebody somehow wasn't quite satisfied that that was good enough for government offices in a building leased for a limited number of years. While I must commend the

[[Page 3529](#)]

department for knowing where to get really good carpet — they went to Scotland this time — they got 220 square yards of Templeton's Glen Donnel twist at \$21 a square yard.

MR. PHILLIPS: How much?

MR. WALLACE: It was \$21 a square yard.

MR. PHILLIPS: You're kidding.

MR. WALLACE: No, I'm not kidding, Mr. Member. But then just to sort of make use of the carpet, they put a large part of it down on top of the carpet that was already cemented to the floor. So we've got two layers of carpet. We've got underfelt at \$5.60 a square yard, and we've got Templeton's Glen Donnel twist at \$21 a square yard.

MR. PHILLIPS: That's the first time I've heard of anybody putting a rug under the rug.

MR. WALLACE: Now that just happens to- be a specific one, because I don't like to have the Minister suggest that we just make broad, blunderbuss charges without backing them up. I would just like the Minister to tell us who gave the authority to lay one layer of carpet on top of another layer of carpet.

MR. PHILLIPS: Did they sweep the rug under the rug?

MR. WALLACE: The other inefficiency and irresponsibility is that I understand that a great deal of this carpeting is sitting in storage at very considerable cost to store it. Somewhere in the order of \$80,000 of carpet is sitting in Johnson Terminals in Vancouver.

AN HON. MEMBER: Whew!

MR. WALLACE: Of course, that carpeting is just sitting there and costing the taxpayers money to be stored. I wonder if perhaps the Minister could tell us how much carpet is in storage, not yet used, and what it is costing the taxpayers to store that carpet.

The second last point I would like to make, Mr. Chairman, is: could the Minister tell me when the appropriate forms for bidding are sent to suppliers? Is it or is it not a fact that a supplier is asked to give details of union or the absence of union agreements in the supplier's business concern? It is my understanding that suppliers are asked to tell whether their employees are unionized or not. If this is the case, I would like to ask the Minister whether he doesn't consider this a contravention of the Public Works Fair Employment Act, which quite clearly relates only to the construction industry. I don't think that somebody supplying carpets could be considered to be part of the construction industry.

I have been criticizing the government, but the interesting thing about this, Mr. Chairman, is that the party who supplied some of this carpeting and who's given me the information wrote a rude letter to the Minister what to do with some of his questions. And the company still got the contract. I can only say, if this is the case, Mr. Minister, that you deserve credit for accepting criticism and still giving the contract to the lowest bidder.

The fact is that I would like an answer regarding this question of whether or not a supplier is asked about whether or not his employees are unionized or not, because this particular man doesn't have a union employment shop. He pays all his workers as much or higher than they would have on the going rates. Maybe the Minister would care to answer some of these.

HON. MR. STRACHAN: The item with regard to the Public Works Fair Employment Act doesn't apply to material suppliers at all.

[Mr. Dent in the chair.]

Interjection.

HON. MR. STRACHAN: Well, I'm not sure that we did. And while the man may have written me a rude letter, if he's the low bidder and can supply the material, that's fine with me. As I've indicated time and time again, what we're after and what we're trying to do is to get the best possible job and the best possible price. The fact that people have been rude to me doesn't mean that they're not going to do anything for me. I don't carry grudges.

MR. WALLACE: What about carpet on carpet?

HON. MR. STRACHAN: Yes, I understand that's true in a section. And it was cheaper to put the carpet on top of the other than it was to lift it. I think it was laid in that particular section, I don't know, perhaps in error.

MR. WALLACE: Why did you need the second lot of carpet in the first place?

HON. MR. STRACHAN: I haven't got a satisfactory answer to that one. I haven't, you know, as to why it was done, or why it had to be done.

MR. WALLACE: But you'll look into it?

HON. MR. STRACHAN: I certainly will. I agree. Now you asked me.... The answer to the Adams question is.... I had it here somewhere. Anyway,

the full amount is in there somewhere, Mr. Member. Why did he resign? I said at the time and I'm not going to elaborate on it: differences of opinion was why he resigned. I'm not going to elaborate on that.

Johnson and Associates are no longer with ICBC. They were in at the very beginning in the location of claim sites and so on. They are no longer doing anything for the corporation.

The miniaturized computers: that will be a tender call, requiring a certain quality. You can criticize us for getting a quality product when you can get something else. But we usually find, and it's a general feeling, that for anything that's being supplied to a large number of people, if you get a fairly good quality item, it does stand up. They are on a tender basis, with the lowest tender being accepted.

Interim computer system was one we set up ourselves. There were 60 people with IBM. It's now down to 10; they're winding down their work. It's now down to 10 people.

Interjection.

MR. CHAIRMAN: Order, please. When an Hon. Member puts a question from his seat I would ask the Hon. Minister to refrain from....

HON. MR. STRACHAN: Yes, I will try and get that figure for you before we're finished.

Advertising: okay, we can.... That particular ad was a House ad — no question of that. But the Minister of Highways (Hon. Mr. Lea) did not say exactly what was reported there, according to the information I have.

Then you asked about refunds. We are still looking at what's going to happen next year. No decisions have been made as to what's going to happen next year in any area.

MR. WALLACE: Yes, I will be very brief, Mr. Chairman. I appreciate most of the answers, but I think the Minister has been less than fair in trying to answer the very most important question of all — which is: surely the government must have some policy regarding the follow-up first year to the refund programme. Because the refund programme in itself is a very desperate attempt by the government to come somewhere close to keeping its election promise that people would pay less.

Now you're struggling very hard to make sure they don't pay any more next year. The Minister knows very well that either the 10 per cent annual inflation has to go on top of the base rate plus the refund.... Or if this government was really keeping faith with the people and the kind of promises that were made, then surely next year any increase for those people who had a refund should be on the base figure after the refund, not the base figure plus the refund.

This point cannot be hammered home often enough or clearly enough for the benefit of the people who are paying car insurance. The Minister is looking very sober and he knows that I'm right at the heart of this whole thing.

The government sought and got elected by many people because of both an ideological promise that the private industry was ripping off the consumer and the government could do a better job — and secondly, that it would be financially cheaper for the citizens in this province who drive automobiles.

I say that they failed to meet the first goal. But at least in attempting to make some partial follow-through on their commitment, they carried out the refund programme. But if that refund is just going to be very carefully and coolly — and hopefully not noticed — let slip into the great limbo of the past record of this government — that in 1975 it will be: "Well, chaps, we'll just go back to where we were and we'll forget about the people who had refunds and we'll add the 10 per cent to the base rate plus the refund."

I think the Minister and the cabinet must have discussed this point. It's so central to the whole issue of automobile premiums and whether this government is in fact delivering the kind of far superior and far cheaper

programme which it promised — and which was a very fundamental reason that it is now sitting over on that side of the House in power. Right, you've got it right.

I think, with respect, it is not adequate for the Minister just to say: "Well, come next year we'll take a look at that."

HON. MR. STRACHAN: No, no, I didn't say that.

MR. WALLACE: I'm sorry. If that's not quite what you said, I hope you'll take the opportunity to come up with a more specific answer.

There's one point I just missed before I sat down. I know it's a small point but, again, psychologically it really to me was quite ridiculous, and several people wrote to me about it. We put on this advertising programme with this.... I'm sorry, I can't remember the gentleman's name, but I believe he's a TV star....

Interjection.

MR. WALLACE: Anyway, the gentleman's busy telling you the message while driving his car this way and looking that way. And if ever there was a disastrous blow to all your efforts, Mr. Minister, to have people thinking about traffic safety — and the guy is driving along looking at right angles to the direction he's driving in. I think this just has to.... And I wonder if....

[[Page 3531](#)]

MR. CHAIRMAN: Order, please. This point has been made before.

HON. MR. STRACHAN: One of the other Members raised the question last week and I agreed with his criticism.

Interjection.

HON. MR. STRACHAN: I see. No, I agreed with that criticism.

I would say to the Member that I didn't say we would look at it next year. I say we're looking at every aspect of the operation now in preparation for next year. But no conclusions....

MR. WALLACE: Do you accept the fact that you'll have to consider it that way?

HON. MR. STRACHAN: Every aspect is being considered and looked at, examined, and as we get more experience too in the operation we'll be able to make a better decision.

MR. PHILLIPS: Mr. Chairman, it's certainly a pleasure for me to make a few further comments in this very important Minister's estimates. I remember saying last year during the Minister's estimates when he was loaded with all these fantastically heavy jobs in this cabinet that I wasn't a farmer, but if I were, I'd never put a racehorse behind a plough. Because it's just too big a burden.

The Minister has been used to whipping around the province and running free and wild while in opposition and making statements. But all of a sudden the Minister now finds himself harnessed behind the plough. He has to work.

HON. MR. STRACHAN: A plough is pulled from the front. It's not pushed from behind, except a snow plough.

MR. PHILLIPS: No, I'm talking about a plough. I think you draw the similarity. I couldn't help but think of some of the statements the Minister has said since he got behind that plough.

I remember him saying during the ferry strike that he had a gun held to his head. The pressure was too great. Now the pressure is too great and he's leaving the Legislature. And I've hardly even started.

AN HON. MEMBER: That's why he's leaving.

MR. PHILLIPS: That's why he's leaving.

I don't blame the Minister for leaving because, you know, when the pressure gets on the Minister doesn't really answer the questions.

I was amazed when he was trying to answer the Second Member for Vancouver–Point Grey (Mr. Gardom). I happened to write it down here. He said: "Because the Minister struck home with the very crux of the problem, the Minister of Transport stood up and told the Member 'His mind is warped.'" He said, "He's deliberately trying to create an area of suspicion."

I feel the problems that have been created in the Insurance Corporation of British Columbia have been created by the government, not by the many, many very capable people whom the government hired to do the job or who were there in other branches of government prior to that. I certainly must commend the Minister for some of the very capable people he has hired from many places in Canada to put in charge of this corporation.

I wish the Minister was here because I think this is very, very important and maybe should be a guide to him in future operations. If he ever has to go through this again, he should allow the people he hires adequate time to do the monumental, mammoth task they have to do.

Looking back on it and going through the Insurance Corporation offices and looking at all of the work that had to be done, I really don't know how it was accomplished. But I can see why, when this job was rushed through, there were going to be errors. It couldn't physically be done and be done without there being errors. I think this is one thing we have to take into consideration.

What I'm really saying, Mr. Chairman, is that many of the errors that have occurred in the Insurance Corporation of British Columbia are due to the almost impossible deadlines which were set by that government in trying to rush in and keep their election promises.

The second reason that there were errors and confusion in the Insurance Corporation of British Columbia is strictly due to the government meddling with the people they hired to do the job. I feel, had these people been given a free hand to go ahead and set up this corporation, there wouldn't be the problems in the corporation there are today. But this is typical of the socialist government. They've got to stick their fingers in where they don't know how to run a business or how to set it up. They've got to go in and they've got to meddle with specialists in the field.

I feel the Insurance Corporation of British Columbia would have been a lot better off had there been some policies laid down and some guidelines and had they been given time to do the job. The Insurance Corporation of British Columbia today would be in far better shape than it is. There would be many more satisfied people in the Province of British Columbia.

As it is now, due to government meddling, due to government setting deadlines, the Insurance

[[Page 3532](#)]

Corporation of British Columbia is not in a healthy state of affairs. It's going to end up either being a disaster financially or being heavily subsidized by the taxpayers of British Columbia.

There are many ways the Insurance Corporation of British Columbia can be subsidized by the taxpayers of British Columbia without the taxpayers of British Columbia having any idea that they are actually subsidizing this Insurance Corporation. They can subsidize the Insurance Corporation of British Columbia by buying insurance for B.C. Hydro without a competitive bid.

AN HON. MEMBER: Buying what?

MR. PHILLIPS: By buying insurance for British Columbia Hydro, their installations, their buildings, their billions of dollars worth of assets, you can indirectly subsidize the Insurance Corporation of British Columbia. I sometimes wonder, when you were calling the people from ICBC over here and adjusting rates, if you weren't telling these people: "Well, don't worry about it. Knock down the rates, try and keep the people happy; we'll subsidize you through another way."

Because there will be no competitive bids called on any of the billions of dollars' worth of assets that British Columbia Hydro and Power Authority will be insured, nobody will ever know. As I said in this Legislature last year and as the Second Member for Vancouver–Point Grey (Mr. Gardom) said this afternoon, anybody who turns on a light bulb in British Columbia could be indirectly subsidizing the Insurance Corporation of British Columbia. When the rates go up, we will never know what the increased costs were.

One thing we can be assured: unless the Minister outlines for us how the rates for B.C. Hydro are going to be set, we will never know that some of the increased Hydro rates which consumers in British Columbia will be paying in the very near future — and mark my word, it will be in the very near future — are not going to be due to the excessively high rates for insurance with B.C. Hydro will be paying to another government operation by the name of the Insurance Corporation of British Columbia.

We will never know, if and when the ferry rates go up, whether it's increased costs of operation or how much of the increased costs of operation will be from buying insurance on the ferry system from the Insurance Corporation of British Columbia. I ask the Minister if, to keep the Insurance Corporation of British Columbia honest, to ensure the integrity of the Insurance Corporation of British Columbia, to ensure that the manager of the ferry system is not going to be raked over the coals for increased costs, he is going to allow independent insurance companies to give an estimate for the insurance on these ferries and for this fantastic liability insurance that must be carried. Is he going to be honest with the taxpayers of British Columbia or is he going to pay the rate the Insurance Corporation of British Columbia asks? Who will ever know whether it is competitive or not?

This is what I was talking about yesterday afternoon when I said we need a government practices Act within this Legislature to make sure that some of the things I am asking for this afternoon are written in the law to keep competing government corporations from skinning the taxpayers of this province and covering up their own inefficiency. The more and more the government gets its sticky hands into the private industry of this province and into business, the more and more we need a government practices Act.

Don't you ever rely, Mr. Chairman, on the Minister of Consumer Services (Hon. Ms. Young) to ever protect this government because, if we could rely on that, she would already have taken the Minister of Communications who is in charge of the Insurance Corporation of British Columbia to task or, indeed, the entire socialist government for misleading advertising during the election campaign of 1972.

Interjection.

MR. PHILLIPS: Now don't blow your cool, Madam Minister; don't blow your cool. You would be having the entire socialist government before the courts of this land for misleading advertising. You know it as I know it.

I want to tell you, Mr. Chairman, there isn't one government car insured with ICBC this year for \$25. Not one! It's all right, Mr. Chairman, for this great, high-handed, socialist, dictatorial government to skim over all of these things. But I'm telling you, we need an Act in this Legislature to keep them honest.

There are other ways that the Insurance Corporation can rip off the taxpayers of — British Columbia. What about the government operation at Ocean Falls? I would suggest to you that if the government is going to run Ocean Falls in any type of a business sense, they're going to have to have insurance. How are the taxpayers of British Columbia ever going to know whether the rates they pay to the Insurance Corporation of British Columbia are competitive or not? I ask you, Mr. Chairman, I ask you.

If we had a law in this province that said, before the government insures its own operations from its own insurance company, they had to get several competitive bids and that these operations had the right to place their insurance with another company if the bids were within a certain percentage of premiums away, then and only then would we know that the taxpayers of B.C. were not subsidizing ICBC.

[[Page 3533](#)]

MR. CHAIRMAN: Order, please! I would point out to the Hon. Member that the Hon. Minister of Transport and Communications is not responsible for the actions of these other groups. I would ask you to direct your remarks to the vote before us and to his responsibility.

MR. PHILLIPS: Mr. Chairman, I appreciate your remarks but I'm merely trying to point out how, under this Minister and through the Insurance Corporation of British Columbia, other taxpayer-owned operations can subsidize the Insurance Corporation, therefore putting the onus on the taxpayers of this province. That certainly comes under this Minister's vote, Mr. Chairman, because I'm asking that Minister to allow other government operations to go to other insurance underwriters and get competitive bids.

I want to tell you, Mr. Chairman, if the Minister doesn't agree to this, the taxpayers of this province will never know. He will be able to stand in this Legislature and show that the Insurance Corporation of British Columbia made a profit strictly because other government enterprises have paid heavy insurance rates, and the people will never know.

This is one of the problems with socialism where the government has its finger in all the operations. No way will the people of this province ever know whether there was a conflict of interest or not. No way will the people of this province ever know whether the Insurance Corporation of British Columbia is being run efficiently or not. If there was competition then we would at least know.

The government has said that they are going to pay. They've taken the onus of paying for the insuring of assets in different school districts. They're going to take that away from the local school boards as a way of reducing taxes rather than let the local school boards go out and get competitive bids. It's still going to be paid by the taxpayers. It's just one more avenue where the taxpayers of this province could subsidize the Insurance Corporation of British Columbia without really knowing it.

This is the type of political interference into the operation of the Insurance Corporation of British Columbia that I have been talking about.

How do you know, Mr. Chairman, and how do I know as a taxpayer, when the rates were being reduced on various categories in the automobile insurance end of it, that the Minister of Transport and Communications was not saying to the directors of the Insurance Corporation, "Here, reduce these rates. We'll see that they're made up by higher rates on the government-owned vehicles and government-owned assets"? How do we know, Mr. Chairman? How can the directors and the people who were asked to set up the Autoplan set rates in one instance then run over to Victoria?

I don't know how the Minister of Transport and Communications can tell the people who are running the Insurance Corporation of British Columbia to reduce these rates. They must have had some basis for setting them up in the first place.

Let's take a look at some of the rates that were reduced. I have to wonder as a taxpayer how these decisions were made. I'm quoting from an editorial of *The Vancouver Sun*, February 11. The Minister can correct me if I'm wrong, if rates were not reduced on any of these categories.

"There have been slashes in rates affecting multi-car families, car dealers, garages, taxi operators, clergymen, bosses' wives who cheat a bit by driving company-owned cars, fleet operators, owners of trailers, motorcyclists, and, of course, there has been the famous rebate for what, by informal poll anyway, could easily turn out to be more than 50 per cent of the passenger vehicle owners who end up paying more for state insurance than they paid for private insurance despite all ad hoc fiddling."

That list I have read off, Mr. Chairman, I would consider to be approximately reductions on 75 per cent of the vehicles insured in the Province of British Columbia. It's a long list, and some of them, particularly fleet owners, pay heavy, heavy insurance rates. If I'm wrong, I would like the Minister to advise me just what percentage of the vehicles were involved in these rates — how were the decisions reached? — and assure me that there was not some deal made for the Insurance Corporation of British Columbia to subsidize them through some other government-owned operation?

I want the Minister to advise me if the Insurance Corporation of British Columbia's own assets and building are being insured? Are they being insured through a policy? Is there going to be any insurance at all? Has the Insurance Corporation of British Columbia insured the other government assets such as provincial government buildings, government garages and the other billions of dollars worth of assets throughout the province? Are they insured now with ICBC? Was there a competitive rate? How much has that insurance gone up to the Government of the Province of British Columbia this year? When do the policies run out? When will they be reinsured and with whom?

These are some of the questions people of British Columbia want answers to. They want to be ensured that they are not going to be subsidizing this Insurance Corporation so that it doesn't run into the same amount of problems that the Manitoba insurance system has run into.

The Manitoba system is open to competition. That's why the Manitoba system is having problems today. The government can't run an insurance

[[Page 3534](#)]

company as well as the private industry can. When it's open to competition it doesn't do so well, as we have seen by the experience in the Province of Manitoba.

Our Insurance Corporation of British Columbia will do very well. Oh, they'll do very well. When the profits start to drag, up will go the rates for every asset in the Province of British Columbia that is owned by the province.

There are numerous other ways for the government to indirectly subsidize the Insurance Corporation of British Columbia. I have mentioned just a few areas where it is possible for the taxpayers to subsidize this corporation.

There have been a number of people in the province ripped off by this insurance corporation. I want to ask the Minister why he did not allow other people other than private automobile owners to ask for a refund when their insurance went up in 1974? Why did he not allow fleet owners to ask for a refund when their insurance rates went up? Why did he not allow owners of half-ton vehicles, many of which are used widely as second automobiles? That misleading advertising which was splashed throughout the daily newspapers prior to the election in 1972 would give all people who bought insurance in British Columbia the idea that their rates were going to be reduced, not just the single-car owner, not just the one-family car.

MR. CHAIRMAN: Order, please! I would point out to the Hon. Member that he is tending to become tedious and repetitious.

MR. PHILLIPS: That's your opinion, Mr. Chairman, and I hope you stick to it. I'm leading up to the point. I don't think this question has been voiced, in all sincerity to you, Mr. Chairman. I certainly take your remarks to heart but I don't think it has been voiced in this chamber before, at least in any of the debate I have listened to.

Why did not all people in British Columbia whose insurance rates went up have the right to ask for a refund. If it has been, I beg your pardon.

If there is one group of people in the Province of British Columbia who are being particularly hard hit, it's the small businessman who has more than one automobile.

So far as I am concerned, Mr. Chairman, this Insurance Corporation of British Columbia is ripping these people off. They're gouging them on their insurance rates. Why are they not entitled to a refund? Or is this just another way, Mr. Chairman, of ensuring that the Insurance Corporation of British Columbia makes a profit, while single-car owners who are not supposed to have an increase are being subsidized by small fleet owners and small business people.

You know, Mr. Chairman, the Premier of this province said that taxes were not going up in British Columbia in 1974. I want to tell you, Mr. Chairman, that the taxes for the small businessman have gone up this year. Not only are they being ripped off by the Insurance Corporation of British Columbia but they're being ripped off by the capital employment tax Act. There are two taxes, Mr. Chairman.

HON. MR. STRACHAN: That's not under my estimates.

MR. PHILLIPS: It all relates to the same thing. Why do you not allow these people to ask for a refund?

HON. MR. STRACHAN: The capital tax is not under my estimates.

MR. PHILLIPS: I'm also putting the whole thing together, where the taxes are increased and where you're going to put the small businessman out of business — increased property taxes on his property and his assessments.

HON. MR. STRACHAN: That's not my department.

MR. PHILLIPS: It all fits into the same thing, Mr. Chairman. This government is the greatest rip-off artist on small business since the Roman Empire, since Hitler was trying to finance his war plan.

MR. CHAIRMAN: Order, please. I would point out to the Hon. Member that that standing order 61(2) requires that Members be strictly relevant to the matter under consideration in committee. I would ask him to confine his remarks to vote 235 and the responsibilities of the Minister.

MR. PHILLIPS: Well, Mr. Chairman, maybe I'm straying a bit, but I wanted to point out that the increased insurance rates for the small businessman, along with the other increased taxes brought about by these socialist policies, are working a hardship on the small independent businessmen, the small person who has saved and tried to get something for himself instead of spending it on trips and travelling around the world and drinking and smoking and doing all of the other things — the person who has tried to be independent in this province, to get into business for himself. This government's going to kill them, Mr. Chairman.

MR. CHAIRMAN: Order, please. Hon. Member, the speech that you're making would be more appropriate in the throne debate or some area like that. But under these estimates you're required to be strictly relevant to the administrative responsibilities of this Minister.

[[Page 3535](#)]

MR. PHILLIPS: Thank you, Mr. Chairman, I'll certainly abide by your rules, but I wanted you to get that point.

Now what's going to happen to the Insurance Corporation of British Columbia? How is this government going to make sure that if they lose money it's going to be justified or that if they start to lose money, it's going to be subsidized by the taxpayer?

But I'll tell you what's going to happen, Mr. Chairman. The Premier has made a statement that he's going to assist the automobile owners of British Columbia to keep their cars on the road. There's going to be a plan coming out. I want to tell you that that plan involves the Insurance Corporation of British Columbia. And that plan won't be announced until the estimates of the Minister are signed, sealed and delivered and he goes happily on his way, because that's the way this socialist government operates.

We get through a Minister's estimates, Mr. Chairman, and then there's an announcement made directly

involving — directly involving — that Minister. I feel that the Premier of this province is going to use the Insurance Corporation of British Columbia to assist motorists to keep their cars on the road at a reduced rate. He's not going to reduce the fuel tax, which other provinces have seen fit to do.

MR. CHAIRMAN: Order, please. The Hon. Member is indulging in some speculation and is not addressing himself to the administrative responsibilities of this Minister.

MR. PHILLIPS: I'm telling you, Mr. Chairman, that it involves the Insurance Corporation of British Columbia.

MR. CHAIRMAN: Order, please. The matter which you're raising is a speculative one and I must ask you to confine your remarks to the administrative responsibilities of this Minister.

MR. PHILLIPS: It's not speculative at all. I'm telling you what's going to happen. Well, it happens to be the responsibility of this Minister and it happens to come under his estimates, Mr. Chairman. As soon as the estimates are passed, it will have a lot to do with the Insurance Corporation of British Columbia. Because that's the way that government works. Get the estimates passed and then we'll bring out the policy.

We don't hear the Minister standing in his place during his estimates and outlining his policy — not at all. That's outlined in the corridors after his estimates are passed. And I want to tell you, Mr. Chairman, that we're getting sick and tired of it in this House.

You talk about a dictatorship and overriding the rights and the regulations of the MLAs in this Legislature! It's happened in practically every estimate that's been passed in this House, Mr. Chairman, and it's time you, as a legislator, spoke out against it. No, the Premier isn't going to reduce the tax on gasoline. He'll reduce insurance rates.

MR. CHAIRMAN: Order, please. I would ask the Hon. Member to confine his remarks to the administrative responsibilities of the Minister.

MR. PHILLIPS: It is the administrative responsibility. I want to know the Minister's comments on this. What will happen is that this will be a great method of pointing out why the Insurance Corporation of British Columbia is going to lose money: because it's subsidizing the motorist in the Province of British Columbia.

And the Premier will be able to go around the province and say: "Sure we had to subsidize the Insurance Corporation of British Columbia, because it's subsidizing the motorists in British Columbia."

MR. CHAIRMAN: Order, please. Again I would point out to the Hon. Member that the matter which he is discussing is a speculative one and it's not in any way covered by the estimates that are before us. I would ask him to confine his remarks to vote 235.

MR. PHILLIPS: I'll put it in the form of a question then, Mr. Chairman. I would ask the Minister of Transport and Communications in charge of the Insurance Corporation of British Columbia: is this the plan? I'd like him to get up and deny it if it's not the plan. I'll bet you that he won't do it.

The only way the taxpayers of British Columbia are going to be assured that they are not subsidizing the Insurance Corporation of British Columbia is to put it on a competitive basis, to allow bids on all government properties to come in from several other insurance companies and allow the managers of those corporations to place the insurance with those other companies if the rates are within a certain percentage — say up to 5 per cent. That is the only way.

But the Minister will not allow it. That Minister will not allow it. If he will, and if I'm wrong, I'd like him to stand up and say so, because he knows that if it's put on a competitive basis like that, it will go the same way as the insurance corporation of Manitoba. So the taxpayers will go on wondering just what has happened to their insurance corporation. Is it being well managed? Is it being run efficiently?

If I've been wrong in any of my statements or questions, I would appreciate the Minister standing on the floor of this Legislature and straightening me out. Because there are people — taxpayers and concerned people in this province — who are wondering the same as I am wondering. So now I'd like to give the Minister the opportunity.

[[Page 3536](#)]

HON. MR. STRACHAN: First of all, I would ask the Member to recollect what I said in the House this afternoon and what I said a year ago when the plan was introduced. You know, Mr. Chairman, the Member stood up and gave us a fairly lengthy explanation....

MR. PHILLIPS: Don't make any comments on the length of speeches; just answer the questions.

HON. MR. STRACHAN: Mr. Chairman, that Member knows or should know, because I've said it many, many times, that Autoplan receipts, fund, operation, is completely separate, apart from, different from, the general insurance operations of ICBC. That's the way it is. I've said it, I've showed it, I've repeated it and I've printed it.

But you have the colossal gall to get up and make that kind of speech today. How often do I have to tell that Member and the other Members how the company operates? He gets up and makes a speech like that! Then he asks: "How do we know; how do we know; how do we know if B.C. Hydro's going to be used? How do we know if this is going to be used?"

Mr. Chairman, he's in opposition. There is public information available. If he doesn't know where it is, I'm not going to tell him. It's a measure of his incompetence as an opposition Member to get up and make a speech like that — when the public information is available and you don't know where it is. Well, I'm not going to tell you. You go and find it. It's there.

Insofar as competition is concerned, I want to draw the attention of the House to something that's happened in the insurance field in British Columbia since we came into operation.

First of all, again I want to quote from the official periodical. This one points out:

"Once the ICBC was set up in the Province of British Columbia the capacity of the insurance companies in this province to handle insurance was miraculously increased, and lines were placed at unbelievably low rates. The mere incorporation of the Insurance Corporation of British Columbia drove general insurance rates down for the people of British Columbia."

Interjections.

HON. MR. STRACHAN: All right, just a minute now. These are two separate funds. We are talking about general insurance and he's talking about the insurance of public buildings.

"Under these conditions it is unlikely that the loss picture for B.C. will improve in 1974."

Then I quote Mr. Hamilton, the president of the agents. He says:

"I don't know about you, but I'm for it by some of the unwarranted rate cutting that is going on in general and homeowners lines. Our clients deserve sympathy and understanding if they are somewhat confused by this game of yo-yo. In point of fact this is obviously no time to cut rates, especially if such cuts are to be followed by even bigger hikes later on."

Now that's what's happening in the general insurance field in the Province of British Columbia. This is what the spokesman of the industry tells us.

As I say, the general insurance part of our operation is still just slightly less than the median of the competitive rates, and that's where we intend to stay. There is no way we're going to get sucked into that rate-cutting procedure in competition with these companies. We're going to set our rates in a general way.

Now, as I told you, the information is available publicly if you know how to find it. Just to assure you further

of how we're going to operate, just the other day bids were asked for and received on government property. ICBC wasn't the lowest and it went to a private firm. That's the way it is.

As for the question of the school boards, we set up a separate organization, a separate procedure, at the request of the school boards, with a report demanding that the government use a completely different procedure. And that's the way it was.

Now, what else did the Member say?

MR. PHILLIPS: What about refunds for everybody?

HON. MR. STRACHAN: You talked about the different kinds of categories that had received cuts in operation. Again, the annual report shows there are 900,000 passenger cars. Right up until now there are only about 20,000 that have applied for a refund, and there are 900,000 passenger cars.

There are 256,000 commercial motor vehicles. Those in the fleets were put under a rating system and what it costs them will depend on their claims procedures.

There are 29,000 motorcycles in the province. Some of those rates were reduced. But there's the situation — it's not the massive change that you indicate was made.

I'd like to point out to you also that Manitoba only has auto insurance. They're not in the general insurance field. Again I want to repeat that they're two separate funds. No matter what happens in the general insurance fund there's no way any general insurance done by the general insurance section can get into the automobile insurance fund in any way shape or form.

At the beginning you accused us of government

[[Page 3537](#)]

meddling. That was just the usual gobbledegook that you gave the press and at the beginning of every single speech you make, Mr. Member. We enjoy it. As a matter of fact I could do that same section of your speech almost as well as you could.

MR. PHILLIPS: I want to straighten the Minister out a bit. Typically, again he's all mixed up. He wasn't listening to what I was saying. Never once, Mr. Chairman, did I tell that Minister that he was going to use rates and premiums from government-owned operations to subsidize Autoplan. Never once! I said he'd subsidize the Insurance Corporation of British Columbia; I did not say Autoplan. The Minister stands on his feet on the floor of this Legislature and attacks me for something I didn't say because he can't justify his own position! And I'm getting sick and tired of that Minister standing up after somebody asks him some conscionable questions, standing up twisting around what they said.

I would suggest, Mr. Chairman, that in the future this Minister listen intently instead of being so quick and his conscience bothering him so bad because of the foul-up that he's made in this insurance corporation from the political interfering, with the people he hired to run it....

MR. CHAIRMAN: Order, please. I would point out to the Hon. Member that I didn't recognize you a second time to make a further point.

MR. PHILLIPS: You recognized me a second time to straighten out the Minister and that is exactly what I am doing!

MR. CHAIRMAN: Order, please. But I would ask you not to embark on a major speech again.

MR. PHILLIPS- I'm not embarking on a major speech. I didn't hear you straightening the Minister out when you knew he was trying to slam me for something I didn't say. And if you'd have been on the ball, Mr.

Chairman, that's what you would have done!

MR. P.L. McGEER (Vancouver–Point Grey): Mr. Chairman, I hate to interrupt this little lovers' quarrel here between the Member for South Peace River (Mr. Phillips) and the Minister, but I'd like to raise briefly, if I may, three subjects with him.

The first of these has to deal with a promise that the Premier made last December that student drivers — that is, students who took a driver-training course — would be given a \$50 rebate as an incentive.

This policy was confirmed in January by Mr. Glen Barter, who's chief examiner of the Motor Vehicle Board and undoubtedly known to the Minister. That was done in a meeting in January at the B.C. Teachers Federation building.

What happened since is that the ICBC overruled Mr. Barter and also the Premier by refusing to honour the commitment the Premier made and which was reiterated and formalized by Mr. Glen Barter. Indeed, Mr. Barter wrote in February of this year to the principal of one of the schools involved — and there are several of them — instructing the principal to issue cards to the students as part of this programme. I would like to ask the Minister if he will honour the commitment of the Premier and stand behind Mr. Barter and see to it that the ICBC doesn't enter into a cheap, gypping programme, which it's done. I think a Crown corporation which has Ministers of the Crown as its directors and is so politicized should respond to the directives of the Premier. Even a private corporation should do that. The second subject that I'd like to deal with the Minister very briefly regarding the ICBC is the matter I raised in question period some time ago about a policy. I used to have an insurance policy. I paid my money, I had a contract with the insurance company, and I had a policy. Now somewhere in a musty cupboard there's a great big thick book of ICBC regulations passed by order-in-council which can be changed daily and which amounts to unilateral changes in what should be my insurance policy.

Mr. Chairman, I want to know when I'm going to get something for the money I paid to that Crown corporation as my insurance policy. I thought the Minister was going to look into this and produce a contract so that the drivers of this province would genuinely have an insurance policy and not some mythical rights that were conferred behind those great oak doors that shield out all that takes place in the executive council.

Earlier in the Minister's estimates, I raised some matters regarding the ferries. I must say that one of the suggestions I made seems to have been well-received by a lot of people, which is that it is wasteful of space and not necessarily convenient to the public to have the buses drive on the ferries. The drivers spend two hours having coffee, and the empty busses take up valuable space that others could be using.

There's an additional problem with regard to the buses and the ferries that I hadn't realized. Lots of people, Mr. Chairman, get a lift out to the ferries, or they drive their cars out to the ferries, and they park.

Then they climb on as bus passengers, but there's a problem as to what happens after that, because what often takes place is that you say, "I want to get on the bus," and the bus driver says, "Sorry, buddy, we're full."

AN HON. MEMBER: Or there is no bus.

MR. McGEER: So what does a guy do? Is he supposed to walk the 30 miles? Or is he supposed to

[[Page 3538](#)]

hitch-hike? If he stands up to hitch-hike, he's going to get clobbered by the officials of the Ferry Authority. What he's got to do is carry his grip a couple of miles away, out of sight of all the Ferry Authority employees, then stick his thumb out. By then, Mr. Chairman, all the cars have long since gone and there he is, walking along a dusty road all by himself.

That kind of thing is utter stupidity, and I would like to ask the Minister to end it forthwith. Anybody who gets on that ferry as a foot passenger should be guaranteed bus passage to a terminal at the other end. A very easy

way to do it would simply be to announce over the loudspeaker on the ferries that all those wanting a lift into town on the bus who are foot passengers on the ferry should go to the counter, wherever the counter is that you select. Do a simple total of how many people there are, and see that buses are there to meet the ferry and that every person who is a foot passenger is guaranteed a lift regardless of the hours that the ferry is running.

Again, the simplest way to do it would be to do a passenger count every trip, just after the ferry leaves. You don't need to have any buses on the ferries at all. All you need to have is a discharge point and a pickup point near the entrance to the ship, and if necessary have a little limousine to run the people who can't walk onto the ferry to where the elevator can take them up to the lounge, and something to carry the bags on and off.

It's so simple, Mr. Minister, I wish that you would look into it.

Mr. Chairman, I don't want to take up a lot of time in this debate, and I know that there are many others who have interesting questions to ask the Minister about ICBC, so I would hope that the Minister could give me quick answers, and then others could get on with different points.

HON. MR. STRACHAN: With reference to the drivers' education, there were 35 driving schools approved — this includes high schools and commercial schools.

As of May 1, 57 applications for refunds had been received, and as you know we are making a grant towards the training of teachers for high schools in driver training programmes.

MR. McGEER: Mr. Chairman, these courses started on January 10, and the ICBC has refused to honour the applications.

HON. MR. STRACHAN: Well, we'll check. Have you got individual cases you can give me? Maybe if you had sent them to me earlier I would have had them straightened up by now. You send them over to me, and I'll certainly have them checked out.

Earlier there were some questions about carpeting. I want it on the record that there was some carpet on the 33rd floor which was laid and which was later removed and used elsewhere. There was no carpet laid over other carpet, as the Member for Oak Bay (Mr. Wallace) indicated, but it was on an underlay. Third, there is not \$80,000 worth of carpet in storage. There is, in fact, 75 square yards of carpet now in storage to be used to complete other areas requiring carpet.

The Member for Point Grey (Mr. McGeer) made some comment that he wanted a contract, and objected to unilateral changes in contract. His remarks are noted.

He made some comments about the ferries, and I would like to make some comments about the ferries also. I know everything seems very simple, but it isn't always quite that simple. I would like to tell you of some moves we are making within the ferry system at the present time to try to improve it.

I want to announce first of all that a decision has been made to invite a number of British Columbia naval architects to submit conceptual design proposals, including a waterline model, for the so-called minor ferry routes.

The intent is to establish a basic design for minor route vessels to progressively replace the older vessels now in service. When I checked some of the vessels now in service, some of them are over 40 years old in the minor ferries. So we have to upgrade that part of the total service.

I want the House to know, also, that we are undertaking a study of a reservation system, with a target date of summer, 1975, for routes 1 and 2, for implementation of an 80 per cent available space advance booking system. This decision has been made in response to public demand for assured space on the ferries at high peak times, particularly in the summer season.

I want to tell the Members that there is an overriding reason, probably greater than the need to satisfy the

requirements of the individual. It's something that's worried me ever since I became the Minister in charge of ferries — the added yearly growth at a rate that can only portend trouble for the islands and Vancouver Island.

It was a growth system for which we seemed to be unable to find a governor of any kind. With the reservation system we will be able to control the growth of the ferry system without putting people to a long, long wait in line to demonstrate to them that it's impossible to go beyond that and that we should not be carrying more people.

Otherwise, if we just let it go without a governor, the only answer is to keep getting more and more ferries, more and more types of crossing, more and more routes back and forth. I don't think the people of this province or the Members of this House want to see an ungovernable growth factor in the ferry system.

[[Page 3539](#)]

MR. D.A. ANDERSON: You've been reading the editorials again.

HON. MR. STRACHAN: No, no. I've been very worried about this right from the start, ever since I became a Minister. I looked at the growth figures.

MR. McGEER: What do you propose to do about it?

HON. MR. STRACHAN: Well, a reservations system will mean that there are only so many places available and there are reservations.

AN HON. MEMBER: What about growth of the lower mainland? How are you going to control that?

HON. MR. STRACHAN: I'm only stating to you that through a reservations system there can be a control factor. Without a reservations system you are either faced with longer and longer lineups or a continuing multiplicity of more and more ships running back and forth over more and more routes.

MR. McGEER: Why not make it just one lane reserved?

HON. MR. STRACHAN: One lane reserved would not meet the problem, in my opinion.

Anyway, on the present service we are planning to provide catering services, outdoor and indoor seating areas and washroom facilities, both in our terminals and at any anticipated lineups. This is looking at the present situation.

We intend to provide bus service from foot passenger ticket booths to destination terminals for senior citizens and handicapped persons travelling without cars.

We intend to provide current information for the travelling public by way of community television and radio so that they know what the lineups are and how long they can expect to wait. We are going to provide information assistance to passengers waiting at terminals or in the traffic lines.

We are going to do some brightening up of the terminals themselves. Major terminals will have special areas set aside in which picnic tables and benches will be provided. Waiting rooms and passenger service trailers will be spotted at intervals along road approaches to major terminals during the peak periods.

As for the information of the travelling public, which I outlined earlier, cable TV systems will be utilized to carry a print-out detailing overload conditions, missing sailings, travel lanes, et cetera. These will be teletype-activated from the terminals as many times each day as necessary. A policy clearance has already been obtained from two major cable systems and an engineering feasibility study is underway. These two stations alone go into 220,000 homes, approximately, and 18,000 hotel/motel bedrooms.

We are also arranging with B.C. Radio News for simultaneous, six-times-daily reports to all subscribers in the Fraser Valley, Vancouver, Victoria and central Vancouver Island points.

Information to public in terminals in lineups. We will employ people to give assistance and information to passengers awaiting ferries. This full service at the four major terminals will involve a considerable number of staff. The people concerned will ride a golf-cart type of vehicle and be in communication with a central information office by walkie-talkie. People in the golf cart will go up the lineups informing people of what the situation is.

In addition, trailer washrooms and outside sitting areas will have employees available to provide service and information.

Then, in the up-Island area, we are going to be applying again for another employee required for liaison officer, probably from Nanaimo up to the Comox-Courtenay area, for coordination and liaison between the B.C. Ferries and the other ferry systems involved.

MR. H.A. CURTIS (Saanich and the Islands): I welcome the Minister's announcement with respect to a reservation system. I think it has to be observed that this represents a significant change in position so far as he is concerned, with respect to similar discussions last year when I urged the Minister to consider a reservation system of a certain percentage. He indicated at that time that it was simply not feasible.

Well, I'm pleased that you've taken a second look. It could be that the new general manager is already making his presence felt in the B.C. Ferry service and has succeeded in convincing you of the necessity of this. We cannot have a system, as you've indicated, that has absolutely no governor on it with respect to the number of people coming to Vancouver Island, and most particularly, as I discussed a few days ago, to the Gulf Islands. In the Minister's statement just a few moments ago I did not detect any statement with respect to the Gulf Islands. Perhaps he will comment on that.

The greater Victoria, Nanaimo and up-Island points at least have a greater ability to absorb increased crowds during peak travel time during the summer. The Gulf Islands, by their very nature, reach a saturation point quite quickly and are simply unable to accommodate another party or another group. Some means whereby it can be indicated that on this weekend Galiano is now full, Mayne is now full, Gabriola can accommodate a few more people — this kind of thing — is most essential. Perhaps the

[[Page 3540](#)]

Minister will elaborate on that particular point.

I spoke at length on the ferry system during part one of the Minister's estimates, but there are several other matters which I feel I would like to raise at this time.

One, I think, is quite important for the people of the greater Nanaimo and Gabriola Island area. Precisely what is going to happen on the route 2, I believe it is called? We discussed this at length on previous occasions, but the people of Gabriola Island are still very concerned as to what is going to happen. Are you going to pave most of the southeastern corner of Gabriola Island as a parking lot and let the island lose its identity as something separate and distinct from greater Nanaimo?

I don't think that the Minister has been as complete in his comments for Gabriola Island residents as he might have been, in spite of a number of questions and urgings which have been given to him.

I really wonder about the Minister's ultimate answer. He has told us just a few moments ago that we cannot continue to bring everyone to Vancouver Island who wishes to come at a given time. Yet, Mr. Chairman, interestingly enough, in September of 1968 this Minister, as the leader of the NDP at that time, indicated that he was very much in favour of a bridge between Vancouver Island and the lower mainland. This is from the *Victoria Times* in September of 1968; I don't have the exact date.

AN HON. MEMBER: About six years ago.

MR. CURTIS: It says:

"The bill for a Vancouver Island–mainland bridge or tunnel link would be about \$200 million, NDP leader Robert Strachan suggested Wednesday. He said it would be worth the cost in improving the economy of the Island by removing a transportation tariff holding back development. Mr. Strachan was supporting the by-election campaign call of federal leader T.C. Douglas, who will seek the Nanaimo, Cowichan and the Islands seat."

A little later on in the story, Mr. Strachan said:

"Besides eliminating a tariff wall against the movement of goods, a bridge connection would enable Vancouver Islanders to go to ballet, opera, theatre and sports events on the mainland more conveniently."

I'm sorry the Premier is not present to hear the statement with respect to this Minister encouraging people to get to ballet, opera and theatre events more easily.

Obviously, in six years the Minister has had quite a change of heart in terms of getting people to and from Vancouver Island. Again, the reference is the *Victoria Times* in September, 1968.

Interjections.

MR. CURTIS: Nevertheless, they have to be mentioned, because that's the same man six years later telling us that he just can't see where we should bring everyone to Vancouver Island who wishes to come.

There is a detail, but nonetheless an important one, Mr. Chairman. You mentioned, Mr. Minister, additional assistance for handicapped persons. The British Columbia branch of the Canadian Physiotherapy Association has made it very clear that there are serious problems on board B.C. ferries now for those individuals who are confined to wheelchairs. Patients and therapists have discussed these problems. These people must move back and forth for social and treatment reasons.

They make the point that people in wheelchairs travelling by bus are literally trapped on that bus once in the ferry, as bus drivers do not do any lifting of people out of the bus. I've not seen that myself. Cars are jammed in so close that a handicapped person may be able to drive his car on board but, once on, he cannot get his wheelchair out of his car or get into it. Indeed, it's tough enough for some of us who are not handicapped to manoeuvre past the various posts and alongside other automobiles. It's very, very tough.

MRS. D. WEBSTER (Vancouver South): The CPR has the same problem.

MR. CURTIS: Well, it matters not, lady Member, whether CPR ferries have the same problem or not. CPR ferries are not governed by this provincial government. I'm speaking about the British Columbia Ferry System operated by the people of British Columbia.

Catwalks along the central ferry core on the car deck are only 16 to 20 inches across, which is not enough for a wheelchair to negotiate, as an adult wheelchair measures 24 inches in width or more. Although some of the washrooms have had their steps removed, the spring-loaded doors are a menace to people with crutches and so on. The cubicles are not large enough to move about in them.

We have discussed similar problems with the Minister of Public Works (Hon. Mr. Hartley) concerning access to public buildings. Access to and easy use of ferries within this government's ferry fleet I think is just as important.

I want to get back, although the Minister may find it a little painful, to the purchase of the new vessel from Europe. I presume it's now, in the Panama Canal or perhaps moving up the west coast of North America towards its new home base. I realize the confusion that existed earlier. I was happily not a part of it with respect to which ferry had been

[[Page 3541](#)]

bought and which ferry was actually coming.

I wonder if the Minister, however, would assure us once and for all that he and British Columbia Ferries senior management, before deciding to spend \$17 million to \$18 million on a vessel from Europe, with conversion, with the cost of bringing it out here, thoroughly investigated the possibility of charter on a bare-boat basis, which, I believe, is the term. Bare boat is a vessel which is not crewed. (Laughter.) That is C-R-E-W-E-D. I recognize that it has to be manned by licensed Canadian personnel.

I've had some conversations with a couple of individuals who are very experienced in this field. They indicate that there are, in Europe and in other parts of the free world, vessels which would have served the purpose for this interim period. In his press release with respect to the purchase of the new vessel, the Minister told us that the growth of the ferry system is predictable and constant and that the purchase of this vessel was an interim measure. It was to take the pressure off for a short time.

I'm also given to understand that the chartering of a suitable vessel along the lines of those presently in service on the major routes might have cost \$90,000 to \$100,000 a month. If the vessel had been chartered earlier this year we could have had it put in service for the summer of 1974 and, indeed, could have provided much better service during this current travel year at considerably less cost.

Now if the Minister is absolutely certain that the charter market was fully explored, then well and good. But my information is that it was not. Indeed, the individual to whom I turned for this information cabled Europe and found three vessels which were fully classified at the senior classification by Lloyds, would be acceptable in Canadian waters and could be operated by a Canadian company at obviously considerably less cost than this major capital outlay for the new vessel now en route to British Columbia.

One of the Minister's colleagues in 1970 was pretty unhappy about the purchase of the earlier Swedish ferry. I'm talking about the now Minister of Municipal Affairs (Hon. Mr. Lorimer), who was participating in debate on January 28, 1970, according to *Hansard*, as it was at that time, and he says:

"Now, I note in the *Colonist* of January 23 there's a statement, 'Big Swedish ferry sold to the province,' and subsequently a report from the Premier that negotiations were not completed, but that he said, as I understand it, 'We may buy it.'

"Now, I certainly object to the purchase of a ferry from Sweden when our shipyards are practically non-existent any more. They have no work, no orders — or very few orders — and I think that it's only reasonable to encourage these shipyards and give them contracts, even though the ship may be purchased from Sweden at a reduced price, a second-hand ferry. I think it is much more important and of much more benefit directly and indirectly for the government, if they need a new ferry, to award the contract for the construction of the ferry at a local port."

Now one circumstance has changed since 1970, and that is that the shipyards are busier. However, Mr. Chairman, you know and the Minister knows that our shipyard strength is still well below the mark to be found a number of years ago. Those remaining shipyards are busy, but the purchase of an expensive ferry from Europe at this time does not help the ship construction industry in British Columbia.

The present Minister of Municipal Affairs said it in 1970, and notwithstanding the fact that fewer yards are still busy in 1974, I repeat the statement today. Perhaps the Minister would care to comment on that point and on the others which I have raised, Mr. Chairman, and on ICBC, which has been very thoroughly canvassed.

I just have one question which I don't believe has been touched on. It's the question of a pilot, government-owned and -operated autobody shop. Is it proceeding, where is it going to be and when is it going to open? Is there just going to be one, Mr. Chairman, and, if not one, how many?

HON. MR. STRACHAN: Well, the last question first. We are looking at a piece of property outside of the lower mainland until we can get a satisfactory arrangement. This is for an auto body shop.

MR. CURTIS: Just one?

HON. MR. STRACHAN: Just the one so far, yes. That's all. We're only looking at the one right now.

Interjection.

HON. MR. STRACHAN: Well, I would like to see one in a number of areas. I think I made this statement earlier in the session in answer to a question. I would like to see them in a number of areas in the province, and then we can determine the difference in costs between areas, and all that sort of thing, that we're told by people in the business might be factors.

I have a note here — "Talk to Travel Industry". There was something you raised....

Interjection.

HON. MR. STRACHAN: Oh, yes. The information available as to the lack of facilities. I think this would probably be best arranged through Travel Industry and I'll discuss it with the Minister.

[[Page 3542](#)]

Gabriola Island. The wind and wave studies that we have is being examined by the skippers who would be operating the craft and by the management people.

The statement I made in September, 1970 — that was a good speech I made. I remember that speech. It was a good speech and I think you'll agree the objective was good;

MR. W.R. BENNETT (Leader of the Opposition): It's easy to remember your good ones. (Laughter.)

HON. MR. STRACHAN: They're all good. Some are better than others, but that was one of my better efforts. The objective was good but I was anxious at that time because there was a government that was tied up at the wharf and their ship wasn't moving at all. It was impossible for the people of Vancouver Island to get to the mainland to get these things. But now we have a new government, and we're getting an increase in the ferry service, we're going to have a reservation system, we've extended the hours of operation, we don't need the bridge and tunnel. We will be able to make reservations and get to these things as we....

Interjection.

HON. MR. STRACHAN: It was because we had an awful government here at that time, you see.

With regard to disabled people on the ferries, your colleague for Oak Bay (Mr. Wallace) raised the same question the other day. I pointed out to him that any disabled persons, if they simply indicate to the ticket taker that they need help, will be preloaded on the ferry at a point close to the elevator, and helped on the ferry and so on — any person with any problem of that kind. That's a standing order.

MR. CURTIS: What about buses?

HON. MR. STRACHAN: Well, on buses, I could ask the ferry manager if he could try and perhaps get some of the ferry crew to assist those people. Yes, certainly.

The Stena Danica. Our information was that there was no suitable vessel to charter. There was a vessel that was being offered, but we had to make up our minds immediately without having time to go there and have a CSI man check to see if it was acceptable. The demurrage on that vessel alone was \$6,725 per day.

A year or so ago I spoke to some of the federal people and they mentioned the matter of leasing vessels. The problem you run into sometimes is that even though there are some to lease on the east coast, we discovered that one of them was just whipped right out from under them, more or less, at a time when they required it. But it was our understanding that there were no lease vessels available, and if there were, that one there was \$6,725 per day, which would be....

I agree with everything you said about shipyards. They were almost non-existent. I agree with what the

Minister of Municipal Affairs (Hon. Mr. Lorimer) said when he made that speech. They were almost non-existent. But in calling for the three tenders that I did, out of that call came the expansion of another shipyard in the province that can build that size of ship. So we've turned that tide around for the first time. There is now another shipyard in the province that's willing to bid, did bid, and got one of the contracts on the senior ferry. So we've turned that tide around within the shipyards.

The reason that we decided to go was that up until comparatively recently I was under the impression that we would get these new ferries for 1975. But when I was told we couldn't get them until 1976, I felt that was just too long to wait without some back-up ferry, and that is why...it certainly couldn't be built before 1976 so I just felt we had to go get some other back-up facility for the province.

MR. CURTIS: Mr. Chairman, it is possible that the ferry system is looking to the eventual sale of the new European vessel at some time after the other three come into service, or do you see this vessel as a permanent member of the fleet? That's one question.

Getting back to Gabriola, the Minister indicated earlier with respect to wind and wave studies and consultation, so we can take it then that everything is go as far as Gabriola Island is concerned, can we, Mr. Chairman, through you? There is going to be a major ferry terminal on Gabriola Island moving out of Departure Bay. If that is correct, then I wonder what study has been made as far as environmental impact is concerned. Has the Department of Recreation and Conservation been involved and the joint Highways-Recreation and Conservation committee?

These are questions being asked by concerned people on Gabriola Island and others in the mid-Vancouver Island area who see with the construction of that terminal the destruction of Gabriola Island as it has been enjoyed for many, many years.

HON. MR. STRACHAN: No decision can be made until the skippers who are going to handle the ferry tell us they can be handled when they've examined the wind and wave study. If they say under those conditions it is impossible, then you can't go there.

The first requirement is that the skippers and the personnel who are involved are the technicians in that field. They're the ones who tell us whether or not we can. As you know, there were four sites on Gabriola Island. That's what we have the reports on. Until they

[[Page 3543](#)]

tell us: "Yes, you can put it here; you can't put it there, " then that's it. If they say you can't put it in any of them, and outline the problems to us, then okay, that's it.

MR. BENNETT: The question brought up by the Member for Saanich and the Islands as to the pilot auto body shops was a question I brought up the other day which you failed to answer. Something disturbed me when you were mentioning today that you were going to have several of these in different areas.

Would it be ICBC's plan to continue to operate these body shops once they've used them to find out the costs in the area? Are they going to be used as a continuing monitor of costs or will they be sold out into the private sector and compete on an equitable basis? Will they be there as a start of complete ICBC control of auto body shops? I think that's something the Minister should elaborate upon.

Another question was left unanswered the other day by the Minister. I asked him if he could give us, with all the talk of startup costs and capitalization costs, some indication now. This government lent money to the corporation originally as startup costs which were paid back. I think we'd like to know how much it cost to start up ICBC and how much was capitalized. Were there any projections for continuing capitalization of projects that are underway?

Thirdly, I questioned the Minister, because of the amount of political rate reductions that were made for

ICBC over and above the normal rates that were struck actuarially by the very confident staff of ICBC, if any member of ICBC, or if the Minister or any Member of the government, was holding discussions and negotiations with ICBC in regard to providing a government subsidy to this corporation.

Those questions were all left unanswered the other day, Mr. Chairman, and I'd like the Minister to answer them now.

HON. MR. STRACHAN: Well, first of all, the question you asked me, as I recollect it, was with regard to auto wreckers, not auto body shops.

Interjection.

HON. MR. STRACHAN: My recollection was auto wreckers and that was what I answered.

I indicated, as you heard me, that I would like to see — and I said that previously too — auto body shops in different parts of the province.

As to whether we'd stay in the business once we had the information, I think they are good research facilities too. Yes.

Interjections.

HON. MR. STRACHAN: Yes. Oh, I would think so, yes.

Interjections.

HON. MR. STRACHAN: That's my feeling now. Further evidence and further experience may indicate that that's not the way to go. I think that it would be good research facilities for ICBC.

You said political rate reductions. The same accusation was made by the Member behind you. I've already answered that one.

Interjection.

HON. MR. STRACHAN: No, I'm not holding any negotiations.

Interjection.

HON. MR. STRACHAN: I've already answered the question to the previous Member.

With regard to capital, I think it's all in the annual report. Startup costs are listed on schedule B of the annual report.

MR. BENNETT: I would like to ask if there were any additional capitalized costs that were being projected on additional services or buildings requiring capitalization to the service.

I listened very carefully to the Minister's answer to the Member for South Peace River (Mr. Phillips) while I was in the House and out of it the other day. I haven't had a satisfactory answer that nobody from the government and no one from ICBC is negotiating for a subsidy from the government. It's a fairly easy thing to answer: either there will be a subsidy or there will not be a subsidy.

HON. MR. STRACHAN: There will be other startup costs in the ensuing years. As you know, we are still working on the claims centres. I'm a Member of the government; I'm a director of ICBC.

MR. MORRISON: Earlier this afternoon the Minister talked about a reservation system on the ferries and I think that is probably a good idea. But he didn't mention anything about a proposal for night ferries either from

Victoria to Vancouver or vice-versa so that people can get back and forth without having to overnight in Vancouver or Victoria.

When we were discussing the new ferry that has been purchased, he didn't mention if it is necessary to modify any of the docking facilities to suit this new ferry. I understand it has a completely different front-loading system on it and that the bow itself actually rises. I would like to know whether it is necessary to modify the areas for them.

[[Page 3544](#)]

Earlier in the discussion we talked about the former uses of the Gibson's Bowling Alley. This Minister announced at one time that this Gibson alley was going to be a communications centre but, latterly, the Minister of Public Works has been discussing the use of the Victoria Press building. I would like to know what the intentions are for this department and which building they intend to use.

Could they give us the details of what a communication centre is? Is it a completely new department or are you combining a number of existing departments into a centralized area? What will it be used for? Is this an area for television? Are we now, through the communications department, getting involved in cable TV?

While we are on the subject of cable TV, he might also tell us what the department's present plans are concerning B.C. Telephone. Will they be leasing lines from them? Will they be acquiring them? What is the ultimate goal for cable TV?

Further, I think perhaps now that the last two days of meetings are over here in the city, this would be a good time for the Minister to give us a report on the discussions among the Ministers from the other provinces that were held in Victoria during the last two days.

Getting back to ICBC, I wonder if the Minister could advise us if he has any intentions of extending the deadlines for rebates for people who are making applications to ICBC, in view of the hundreds of complaints that have been received indicating that people aren't satisfied. The form is too complicated; they seem to require some help in completing the forms.

Many of the people who felt they were getting a rebate are now receiving letters from the department advising them that for some technical reason or another they will not qualify for rebates. They certainly felt when they read the publicity in the media that they would qualify but on application they are finding they don't.

I would also like the Minister to answer if ICBC is paying any agent any remuneration for work done in giving advice in completion of the new form or in gathering data for the new form. Also, could he give us any indication of what would happen to people who had put in an application but had it rejected for one reason or another? Will they be able to extend beyond the May 31 deadline? These are people asking for rebates where their form was perhaps incomplete.

I would also like the Minister, if he would to explain to the House exactly what the regulations and procedures are for an ICBC adjuster handling a claim dealing with a theft claim in a home. How does the adjuster settle on who will value the material that is supposedly stolen? How does the adjuster actually finalize that claim and who, in fact, signs the cheque in settlement for the claim? I have a specific reason for asking this and I will leave the reason until I have the answer.

I would like at this moment also to talk about the other department which comes under the transportation section, the aircraft section. We had some discussion in the House not long ago concerning a central communications centre. I have asked a number of times where this centre is to be located. We have not yet had that answer. I would like to know what central communication frequency or frequencies will be used.

I would also like the Minister to answer: how many emergency calls have been handled by air in 1974, in particular, and in 1973? I would like them broken down if I could.

HON. MR. STRACHAN: What did you want?

MR. MORRISON: The number of actual air ambulance calls that have been handled both in 1973 and similarly in 1974. I would like to know how many people have been carried and how many of those were actually on stretchers or whether they were able to carry them in another manner.

Concerning aircraft also, I'd like the Minister to advise the House as to how many actual scheduled flights there are to and from Victoria and Vancouver on a daily basis. I'd like also to ask him if he could advise the House on the minimum size of airstrips that can be used by the two Citations, what the minimum is that that airplane can use and how many actual airstrips in British Columbia can accommodate that particular aircraft.

I see he's writing it, so I'll slow down a little bit.

HON. MR. STRACHAN: Why don't you send your notes over and I'll answer them?

MR. MORRISON: I'd like to know how many of those airstrips can accommodate it, can accommodate it at night, and how many of them....

HON. MR. STRACHAN: Mr. Member, those are pretty detailed questions. I wonder if you could put them in writing, give them to me and I'll get the technical staff to.... I thought, with you being in the business; you might know that. But I'll get the technical staff to answer all that list of questions about individual air fields, which air fields and which at night and so on. I'll get it all. I'll give it to you.

MR. MORRISON: Thank you. I'd also like to know where the aircraft are based, whether it's Victoria or Kamloops or where. I see in another vote, and I'll only mention it in passing, that the budget for the aircraft has been raised from \$500,000 to \$3.7 million. I realize that in that \$3.7 million there is a large amount which doesn't include the purchase of

[[Page 3545](#)]

aircraft. But at this moment, I'd really only like to talk about the difference and I'd like to have him give us an indication of how that increase is coming about.

MR. CHAIRMAN: Order, please. I would point out to the Hon. Member that it would be more appropriate to answer some of these questions under specific votes.

MR. MORRISON: I'll raise them again.

HON. MR. STRACHAN: I don't mind answering them.

MR. CHAIRMAN: Order, please. We're not ruling anyone out of order; we're ruling that we've got to follow the standing orders of the House.

MR. MORRISON: I think they come in properly....

MR. CHAIRMAN: Order, please.

MR. MORRISON: ...under the administration effectively....

MR. CHAIRMAN: I'm not ruling the Hon. Member out of order. I'm merely suggesting — and this is, I think, the appropriate thing to do — that he ask the questions under the appropriate vote. This is a long-standing tradition of parliamentary procedure and I would ask....

MR. MORRISON: Well, I've got a lot of minute details that I'm going to ask under that section. There are general policies, and I think that they properly fit here.

I'd like the Minister to advise the House when he expects to receive the two new Beechcraft 200 aircraft which have been ordered at nearly \$1 million apiece. They were approximately \$1 million apiece.

I'd like him to advise the House when the \$400,000 flight simulator is planned to be in service, where it will be located and if time will be made available for outside individuals, I'd like to know whether that flight simulator is intended to be placed in the hangar at Victoria airport or if they have some other location for it.

MR. CHAIRMAN: Order, please. I would ask the Hon. Member whether the question he's asking is an item that would be covered under vote 245.

MR. MORRISON: Well, if it is I couldn't find it in there.

HON. MR. STRACHAN: Mr. Member, if you have pages of questions I would suggest that you ask a question and I'll answer it.

MR. MORRISON: Well, I'm nearly finished the aircraft.

HON. MR. STRACHAN: No, you sit down, if you don't mind. I'll answer the questions I've got now.

Interjections.

MR. CHAIRMAN: Order, please! I don't like to rule too strictly from the chair in this matter, but I would point out to the Hon. Member that it is the practice to ask specific questions which would be covered by specific votes when those votes are up for consideration, rather than under the Minister's vote.

MR. MORRISON: Well, Mr. Minister, I've never denied that I'm involved in the airplane business. I wouldn't like anybody in this House to not know that fact.

Then, if I may, I'd like to ask him whether he could advise the House if the aircraft are insured by ICBC. And could he tell us what the rates are, and are they competitive? I'd like to know what the passenger liability carried on each aircraft is, and whether it's broken down on a per-seat basis or per-aircraft.

There's one other item I'd like to discuss. I notice that on September 6, 1973, the *Vancouver Province* carried a story concerning a flight that our Premier took in one of the government aircraft from Victoria to Vancouver, and it's headlined "NDP Can't Pay for the Flight." It's written....

Interjections.

MR. CHAIRMAN: Order, please. I would point out to the Hon. Member that that particular matter has been canvassed previously. I would ask the Hon. Member to....

MR. MORRISON: Don't anticipate what I'm going to say, please. I realize that that matter's been raised but there's another point in that matter that I'd like to pursue, if I may. I notice that that particular article is written by Peter McNelly, who now works for the government. But the interesting thing to me, in perusing the logs of that particular flight, which appear on the September, 1973, logs — the aircraft is CF-BCF.... On September 4 that flight went from Victoria to Vancouver, but on board was one Peter McNelly.

AN HON. MEMBER: Oh, no.

Interjections.

[[Page 3546](#)]

MR. MORRISON: Yes, I would like to know if the Minister would care to answer that question.

There's one other question, and if you wish that I get off the aircraft I'll leave that until that particular vote.

HON. MR. STRACHAN: Go ahead; ask all the questions you want. Go ahead.

Interjections.

MR. CHAIRMAN: Order, please.

HON. MRS. DAILLY: Mr. Member, if you have a number of more questions, I think it might be wise to adjourn.

The House resumed; Mr. Speaker in the chair.

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

Leave granted.

MR. D.E. SMITH (North Peace River): On a point of order. Earlier this afternoon the Hon. Attorney-General (Hon. Mr. Macdonald) introduced six pages of amendments to Bill 85. I would like to ask the Attorney-General whether he would consider withdrawing the bill and incorporating the amendments into the bill in a state that they can be viewed and debated by the Members of this House in an orderly and efficient manner.

HON. A.B. MACDONALD (Attorney-General): The answer is no. The amendments were just housekeeping — for all the housekeepers of British Columbia.

Hon. Mrs. Dailly moves adjournment of the House.

Motion approved.

The House adjourned at 6:01 p.m.

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

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