

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

Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)

THURSDAY, APRIL 10, 1975

Afternoon Sitting

CONTENTS

Routine Proceedings

Oral questions

- Pending strike by IBEW. Mr. Phillips — [1187](#)
- Extra moneys to municipalities. Mr. D.A. Anderson — [1187](#)
- Assistance to Saanich hospital. Mr. Wallace — [1188](#)
- Discussions regarding secret hospital report. Mr. Wallace — [1188](#)
- Revision of game management units. Mr. Chabot — [1188](#)
- New numbers for ICBC vendors. Mr. Morrison — [1189](#)
- Remodelling of Princess Marguerite. Mr. Gardom — [1189](#)
- Details of Princess Marguerite purchase. Mr. Wallace — [1189](#)
- Columbia River inquiry. Mr. Gibson — [1190](#)
- Use of leghold traps. Mr. Schroeder — [1190](#)
- ICBC refunds. Mr. Phillips — [1190](#)
- Penalty-and-reward system for car insurance. Mr. D.A. Anderson — [1190](#)

Committee of Supply: Department of Economic Development estimates

On vote 34.

- Mr. McClelland — [1190](#)
- Hon. Mr. Lauk — [1195](#)
- Mr. McClelland — [1197](#)
- Hon. Mr. Lauk — [1197](#)
- Mr. Rolston — [1198](#)
- Hon. Mr. Lauk — [1200](#)
- Mr. D.A. Anderson — [1200](#)
- Mr. G.H. Anderson — [1204](#)
- Mr. Phillips — [1206](#)
- Hon. Mr. Lauk — [1211](#)
- Mr. Wallace — [1213](#)
- Mr. Steves — [1217](#)
- Hon. Mr. Lauk — [1219](#)
- Mr. Gibson — [1220](#)
- Hon. Mr. Lauk — [1220](#)
- Mr. Dent — [1222](#)

The House met at 2 p.m.

Prayers.

HON. G.R. LEA (Minister of Highways): Mr. Speaker, it gives me great pleasure today to introduce to the Legislature four members of the Port Simpson Native cooperative, the cannery in Port Simpson, who were very instrumental in bringing that cannery from a dream to a reality and a successful reality. I'd like to introduce to the Legislature and have you welcome here today: first of all, Simon Reece, the chairman of the cooperative; an executive of the cooperative, Alan Hall; Mercy Robinson, another executive of the cannery; and the general manager of the cannery, Stan Thomas.

MR. H.D. DENT (Skeena): I too would like to join in welcoming this group to the Legislature and to point out that two of the members of this group are from the constituency of Skeena. One is from Hartley Bay, and that's Simon Reece, and the other one is from Kitimat village. We also have Mayor Paul Monahan from Kitimat in the Members' gallery and Art Currie, the administrator. I would ask the House to join in welcoming them.

HON. E.E. DAILLY (Minister of Education): Mr. Speaker, on behalf of the MLA for Coquitlam (Hon. Mr. Barrett), I would like to welcome a group of students and their teacher from Centennial High School in Coquitlam.

MR. C.S. GABELMANN (North Vancouver–Seymour): Mr. Speaker, I understand that Hartley Bay is in the northern terminus of that tunnel. (Laughter.)

Mr. Speaker, it gives me a great deal of pleasure this afternoon to introduce a group of students from Hull, Quebec, who are here on an exchange programme. The school involved in North Vancouver is Balmoral, which I believe is in the constituency of the other Member for North Vancouver (Mr. Gibson). The group is accompanied by Ms. Deaton and Ms. De Lurde from Quebec and also by Mr. Watton from Balmoral. I would like the House to make the students from Quebec feel welcome here in British Columbia.

MR. G.F. GIBSON (North Vancouver–Capilano): Monsieur l'Orateur, je les souhaite bienvenu.

MR. SPEAKER: Merci, Monsieur.

Oral questions.

PENDING STRIKE BY IBEW

MR. D.M. PHILLIPS (South Peace River): In view of the urgency of the matter I would like to ask the Minister of Lands, Forests and Water Resources, who is a director of B.C. Hydro, if he has any answer to my question of yesterday with regard to a pending strike by the International Brotherhood of Electrical Workers?

HON. R.A. WILLIAMS (Minister of Lands, Forests and Water Resources): I'm not able to predict strikes, but it is my understanding, however, that there have been meetings today between the parties.

MR. PHILLIPS: My question was: has the 72-hour strike notice been served on B.C. Hydro by the brotherhood?

HON. R.A. WILLIAMS: I'm afraid I don't have the answer. However, meetings took place this morning.

EXTRA MONEYS TO MUNICIPALITIES

MR. D.A. ANDERSON (Victoria): To the Minister of Municipal Affairs. Now that the charade of linking gas export prices to municipal budgets is over and the Premier has announced that the money will be forthcoming regardless, may I ask the Minister whether or not he has informed the municipalities of the amount they will be receiving from the provincial Treasury so that they can complete their budgets?

HON. J.G. LORIMER (Minister of Municipal Affairs): No, I haven't.

MR. D.A. ANDERSON: May I further ask the Minister when he intends to make this information available? There are real pressures upon municipal councils, of which he is aware, and they would like this information as soon as possible.

HON. MR. LORIMER: I have been meeting with the executive of the Union of B.C. Municipalities in regard to distribution of the funds. That will be continuing, and I can't say when we will advise what the amounts of the funds will be. We won't know the exact amount, of course, until the end of the year.

MR. H.A. CURTIS (Saanich and the Islands): A supplementary on the same subject to the same Minister. I understood the Minister to say that he won't know until the end of the year what these amounts will be. But the question put by the Second Member for Victoria seems to have great validity and must be of concern. Can the Minister indicate to the House what the likely amount will be? I understand

[[Page 1188](#)]

the Minister had a meeting with the executive of UBCM on Monday last, but the Minister must agree that there are budget dates moving up very rapidly. May 15 is the final date — April 30 in Vancouver city.

HON. MR. LORIMER: Well, I can't say that I am going to advise them in the next day or two, but certainly by May 15 they will be aware of it by that deadline. I am very pleased with the great victory this was and a great victory for the municipalities in obtaining these extra grants which will assist them terrifically in meeting all their municipal requirements.

AN HON. MEMBER: Pie in the sky!

MR. R.H. McCLELLAND (Langley): One further supplementary, Mr. Speaker. I understand that we won't know the total amounts until later, but I think it is only fair that the House, at least, knows the extent of this great victory that you speak about. I wonder if the Minister couldn't at least tell us what the total amount of the grants in lieu of the total increase will be. He must know that at this point.

HON. MR. LORIMER: There will be increases given. As soon as I can I will be meeting with the UBCM and discussing the amounts and how the funds will be distributed.

MR. McCLELLAND: Do you know the amount now?

MR. G.S. WALLACE (Oak Bay): I did mean to change the subject, Mr. Speaker, but, having been at the conference, I didn't hear any figure mentioned by any Minister at any time as to what the price was going to be. I think there may have been figures mentioned privately, but they certainly weren't mentioned at the conference.

ASSISTANCE TO SAANICH HOSPITAL

MR. WALLACE: I would like to ask the Minister of Health a question on a more local issue, Mr. Speaker. In light of the very serious and increasing bed shortage in the greater Victoria area and the Minister's initiative in setting up the Regional Hospital Planning Commission, could you tell the House, Mr. Minister, through you Mr. Speaker, whether your department's offer of immediate assistance for the functional planning of the Saanich Peninsula Hospital has been accepted?

HON. D.G. COCKE (Minister of Health): Not to my knowledge to this date. There are discussions going on. I tend, however, to feel that we are getting to the point where we must go beyond the discussion stage.

I think that Victoria has to now look forward to some very quick action in this area. I do think that the hospital services in the area are certainly not up to the standard they should be and I would hope that there will be a great deal of action immediately. There was some three years ago: \$21 million was set aside to bring about some immediate action. I would hope that 'it's going to happen in the immediate future.

DISCUSSIONS REGARDING SECRET HOSPITAL REPORT

MR. WALLACE: The Minister mentions discussions. Could the Minister tell the House whether his department has had any discussions with the regional hospital board or committee with regard to the fact that one other study has just been completed? The planning commission refuses to disclose the contents of that study for which public money has been spent and is being spent. The taxpayers of the greater Victoria region are just reaching the end of the rope as far as patience with planning in the hospital field. I wonder if the Minister has had discussions regarding this report being kept secret.

Furthermore, in the light of the Minister's first response a moment ago, has he set any deadline by which he will brook no further delay in the planning and step in at the provincial level to impose some decisions.

HON. MR. COCKE: Mr. Speaker, I would prefer that we didn't have to go that route.

MR. WALLACE: So would I.

HON. MR. COCKE: To date we have not set any deadlines. I am not privy to any discussions on the report. As far as my department is concerned, I'd have to take that matter as notice.

REVISION OF GAME MANAGEMENT UNITS

MR. J.R. CHABOT (Columbia River): To the Minister of Recreation and Conservation. Regarding the expansion of the 28 game management areas to 201 management units, can the Minister advise how these small units will be managed? How will a hunter be able to identify which small unit he's in?

HON. J. RADFORD (Minister of Recreation and Conservation): I take that as notice, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

[[Page 1189](#)]

MR. CHABOT: A supplementary....

MR. SPEAKER: Could you hold it until you get the answer to the first one?

NEW NUMBERS FOR ICBC VENDORS

MR. N.R. MORRISON (Victoria): My question is addressed to the Minister of Transport and Communications, and it's concerning ICBC. Could the Minister advise the House if all dealers doing business with ICBC have recently been issued with new vendor numbers?

HON. R.M. STRACHAN (Minister of Transport and Communications): In answer to a previous question raised by the Members, I pointed out that action was being taken to prevent these errors that were made by a particular dealer and affecting his particular cheque. Yes, we arrived at a decision that new numbers would be issued

which would relate the name of the dealer to the number.

MR. MORRISON: In view of the recent errors which the Minister referred to and discussed in this House concerning my own company, Morrison Chevrolet-Oldsmobile, which received a vendor's number without applying for one and, subsequently, a cheque, could the Minister tell us what steps he has taken to make sure that that doesn't happen again and that companies that are not doing business with ICBC will not receive new vendor numbers?

HON. W. S. KING (Minister of Labour): Who are you representing?

HON. MR. STRACHAN: I pointed out the last time I answered this question that we had originally received a list from the Automotive Retailers Association. My information is that we're checking out that list item by item. We are supplying the dealers with a stamp so that they will not make transposition errors in number, and we're changing the number so that the name of the dealer is included.

MR. MORRISON: I'd like to just finish, if I may. Could the Minister please advise the House how come that company was again given a new number, issued on April, 1975, and that new number is 30727? (Laughter.)

HON. MR. STRACHAN: I'll check into it. (Laughter.)

REMODELLING OF PRINCESS MARGUERITE

MR. G.B. GARDOM (Vancouver-Point Grey): To the Minister of Lands, Forests and Water Resources, Mr. Speaker. Does the government have any proposals to remodel or renovate the Princess Marguerite or alter its former course of service? If so, to what extent and at what proposed cost?

HON. R.A. WILLIAMS: Plans are not complete, Mr. Speaker. I announced yesterday that Mr. Harry Tyson will become the general manager of operations with respect to the operational end of the harbour development project. The question of work on the Marguerite is now being reviewed by the new manager and a naval architect.

MR. GARDOM: Is the Minister able to indicate to the House if it's contemplated that the ship will alter its former course of service? What's it going to be used for in B.C.?

HON. MR. KING: It's right on course.

HON. R.A. WILLIAMS: The Minister of Labour says it's right on course. The expectation is that the service will be same as in the past between Victoria and Seattle, Seattle and Victoria, and Victoria and Port Angeles.

MR. GARDOM: Is there any validity to the suggestion that the ship is going to be renamed "The Granny Williams" or "The Good Ship Condominium" or, perhaps, as symbolic of the government's economic policies, "The Empress of Disaster"? (Laughter.)

HON. R.A. WILLIAMS: Well, Mr. Speaker, in view of the fact that the Liberal Party thought the acquisition of Columbia Cellulose was the same as the Titanic, I think that we might well expect this one to revert from its losing position in the past to one of making money as virtually all the new Crown entities have.

DETAILS OF PRINCESS MARGUERITE PURCHASE

MR. WALLACE: Can I repeat the question that the Member for Esquimalt (Mr. Gorst) was unable to answer the other day?

I understand the Princess Marguerite had a pollution control device which Canadian Pacific were not happy to part with. Could the Minister tell the House if, in fact, the pollution control device was purchased as part of the deal?

HON. R.A. WILLIAMS: Yes. I'm sorry, the Hon. House Leader (Hon. Mrs. Dailly) did have the answer to the question, and I gather it is on your desk. (Laughter.)

[[Page 1190](#)]

At any rate, I'm happy to report that it is my understanding that some \$250,000 was, in fact, expended and that that was part of what we acquired for \$275,000, including the entire ship. So it seems like a very prudent business deal.

MR. SPEAKER: Please all check your desks.

MR. CURTIS: A supplementary to the same Minister with respect to the Princess Marguerite acquisition.

Mr. Speaker, in view of considerable sentimental attachment to the name "Princess Marguerite" — I put the question in as straightforward a way as possible — is a name change for the vessel contemplated?

HON. R.A. WILLIAMS: There is clearly a great investment by the people of this area in the name "the Marguerite" and there is no intention of changing it.

COLUMBIA RIVER INQUIRY

MR. GIBSON: Mr. Speaker, a question to the same Minister on a different subject. In view of the great enthusiasm of the Minister a few weeks ago, and later of the Premier, for an inquiry into the activities of B.C. Hydro and the Columbia River, does the fact that no inquiry has yet been announced mean the government is losing interest?

HON. R.A. WILLIAMS: I think it means that the government is handling the matter in its usual careful way.

MR. GIBSON: A supplementary, then, Mr. Speaker. I wonder if the Minister could tell us roughly when this inquiry will be appointed.

HON. R.A. WILLIAMS: In due course.

USE OF LEGHOLD TRAPS

MR. H.W. SCHROEDER (Chilliwack): My question is for the Minister of Recreation and Conservation. Are any trapping methods more humane than the leghold trap being tested by the department? If so, how many?

HON. M. RADFORD: Yes, there are some 15 traps being tested by the co-ordinator of the federal-provincial humane trapping committee which was set up across Canada.

ICBC REFUNDS

MR. D.M. PHILLIPS (South Peace River): A question to the Hon. Minister of Transport and Communications with regard to people who have refunds coming from the Insurance Corp. of British Columbia. Will they receive the refund automatically, or must they make a second application?

HON. MR. STRACHAN: It is my information that they will receive it automatically.

PENALTY-AND-REWARD SYSTEM FOR CAR INSURANCE

MR. D.A. ANDERSON: To the same Minister, Mr. Speaker. Could the Minister indicate when he will be

implementing the proposal of the traffic safety workshop to introduce the penalty-and-reward system with car insurance which would, of course, affect the rebate substantially?

HON. MR. STRACHAN: I have not yet received that report that is coming to me as a result of that particular safety conference.

MR. D.A. ANDERSON: I have a copy, It's dated April 3.

HON. MR. STRACHAN: Well, I haven't seen it yet.

Orders of the day.

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

ESTIMATES: DEPARTMENT OF ECONOMIC DEVELOPMENT

(continued)

On vote 34: Minister's office, \$85,129.

MR. R.H. McCLELLAND (Langley): Mr. Chairman, I would like to speak for a few moments about the announcement made by the Premier in Ottawa last night about the new oil refinery which is apparently going to be built in British Columbia — according to the Premier, at least.

I'm surprised that at approximately the same time the Premier was making that announcement in Ottawa, the Minister of Economic Development (Hon. Mr. Lauk) was waffling quite a bit on the subject of a refinery, didn't seem to know whether or not a refinery would be built in British Columbia and certainly didn't give any indication to this House that the government's mind had, in fact, been made up to build a refinery.

The only thing he did do in this House yesterday was to reinforce the thought among many of us that the government had made its mind up, and that it was

[[Page 1191](#)]

going to put that refinery smack in the middle of the lower mainland, in the Surrey area, whether or not the people of Surrey want the refinery, and whether or not that's the ideal place for it, and ahead, apparently, of any real, meaningful studies being done in regard to an oil refinery anywhere in British Columbia.

The government now seems to be embarked on an irreversible course that will have a tremendous impact on one of the most ecologically sensitive areas of British Columbia, and certainly one of the most aesthetically beautiful parts of this province — in fact, of anywhere in North America. Not only that, but given the kind of course the government is taking, it is forcing and will force a new lifestyle on thousands of British Columbians without any consultation or, apparently, any concern either.

The government now seems embarked on a programme that will alter, without any doubt, a wide area of the lower mainland, and drastically alter that area with no discussions whatsoever with the municipalities affected, with the regional districts affected, not even with the B.C. Land Commission which has placed most of the land in Surrey under the protection and umbrella of the agricultural land reserve.

MR. J.R. CHABOT (Columbia River): Is any of that land agricultural?

MR. McCLELLAND: Almost all of it. Almost all of the land in question is under protection — or what should be the protection — of the agricultural land reserve...

AN HON. MEMBER: The Member for Delta (Mr. Liden) says only 200 acres.

MR. McCLELLAND: ...yet in *Hansard*, yesterday, this Minister of Economic Development (Hon. Mr. Lauk) has as much as committed the refinery to the Surrey site. He certainly told this House that one of the other areas that we were told was under active consideration — the Merritt area — is too far from the market and is economically undesirable, yet the people of Merritt have indicated they want that refinery in that area. This is certainly not what the people of Surrey have said. Perhaps the only comfort that we can get from the Minister's statements is that the Premier obviously hasn't taken him into his inner circle of confidants, and the Minister probably doesn't know what's going on with regard to an oil refinery complex in this province because the Premier isn't telling him. The Premier obviously didn't tell him anything before he made his statement in Ottawa yesterday.

Somebody in this whole refinery affair is not leveling with the people of British Columbia and it's time, I think, that the people got the real story and found out just what this government is planning for them. There have been many, many contradictory statements made from members of government in direct opposition to members of the B.C. Petroleum Corp. Even yesterday — again in *Hansard* — the Minister of Economic Development himself made what I consider to be a contradictory statement when he said that we had to remember that this was not to be a petrochemical complex, but it was instead to be simply an oil refinery. Yet one of the directors of the B.C. Petroleum Corp., John Caplett, has said publicly that the B.C. Development Corp. has arranged option purchases in the Surrey area for not only the B.C. Petroleum Corp. but also for what he termed "other large-scale industries," including a German firm planning to process minerals obtained from off-shore Hawaii, for that same area. That's a statement from a director of the B.C. Petroleum Corp., John Caplett.

Jim Rhodes, the chairman of the B.C. Petroleum Corp., has said that there are various possibilities to be included in that complex, including textile, chemical and rubber plants. Well, if that isn't a petrochemical complex, I don't know what it is. Certainly the indication, even with regard to the amount of acreage of land that's being purchased — upwards of 700 or 800 acres; could be 1,500 acres; could be 3,000 acres; we don't know for sure — is not needed just to establish and protect a simple oil refinery. The government is making plans for a giant petrochemical complex and has made that announcement right from the beginning. Yet, the Minister stood in the House yesterday and says there will be no petrochemical complex. Further to the kind of contradictory statements that are being made, I'd like to refer to a letter. The Minister said in this House — as did other Ministers in reply to earlier questions — that studies are ongoing and haven't been completed. That's the reason, I guess, why we haven't seen any studies yet. The members... I think John Sawatsky of the B.C. Petroleum Corp. has indicated in public on a couple of occasions that the studies have all been done. Well, who's right — the members of the government or the members of the Crown corporation?

I have a letter of January 17 of this year from the B.C. Petroleum Corp. to the clerk-administrator of the Corporation of the Township of Langley, and they're talking about having been asked whether or not any decision has been made about a refinery in our area. Mr. Rhodes, the chairman of the B.C. Petroleum Corp., says:

"The government is now in receipt of a report, an engineering and economic study, and, of course, I expect to make a decision whether to proceed or not with the construction of a refinery. It must then make a further decision — if the answer is in the

[[Page 1192](#)]

affirmative — as to the site."

So as late as January 17 there wasn't even a decision made to build a refinery, let alone where that refinery is going to be, and yet today we still don't have any evidence of any real studies being done but we do have a decision made in Ottawa by the Premier, and announced yesterday, that we are going to build a petroleum refinery in this province and the indication made by the Minister that that refinery will be in Surrey.

Also in answer to a request from the clerk of the Municipality of Surrey, who asked the chairman of the B.C. Petroleum Corp. whether or not he would attend a public meeting of interested citizens in the Surrey area and the councils and the regional district. If someone from his department or from his corporation would at least attend.... He

refused — that was in February — to attend any meetings, either Mr. Macdonald or the chairman or any of his staff, because, he said, he felt that a meeting at this time would be premature. "Until such time as the government reaches a decision on whether to proceed with the construction of a refinery anywhere in the province it would be inappropriate for me to comment publicly."

We still don't know what.... That was in February. We've had similar statements in March and we still don't know now in April, when we still haven't seen any studies, still haven't seen any reports, why the government has suddenly decided that the decision can be made to go ahead with the refinery.

I wonder, now that the Premier has made that announcement, whether the Minister of Economic Development can assure this House that public hearings will now be held into this whole question, particularly in the Surrey area. The Member for Delta (Mr. Liden) made a pledge to a public meeting of the Save the Beaches Association last month in Surrey that if the people of Surrey don't want this refinery, the government will not build it in Surrey. I'd like to know now, Mr. Chairman, if the Minister of Economic Development will also make the pledge in the House today on behalf of the Premier of British Columbia that if the people of Surrey demonstrate clearly that they do not wish a refinery or a petrochemical complex in the Hazelmere Valley of British Columbia, the government will not build a refinery in that location.

I think it's only fair to the people of not only Surrey community, but also the surrounding areas — the people around the regional parks systems in that area, the people in the Brookwood area of Langley and, in fact, the people of the whole of the Fraser Valley. I think it's only fair now that the Minister make that pledge and that he also pledge, if the government decides that it does want to go ahead for sure with a refinery, that before it chooses any location it will put that location to a public referendum within the area affected. I think that's the fair way to go.

MR. D.E. LEWIS (Shuswap): Just like Columbia River.

MR. McCLELLAND: Mr. Chairman, there are many dangers involved in building this kind of refinery in the area of Surrey that I've mentioned. There are dangers which are connected with pollution, for one thing, and for the kind of impact that this kind of massive industrial development would have on the complete lower Fraser Valley area.

The area contains inter-tidal zones which support the largest salmon fishery in the world. That whole area provides nesting grounds, feeding grounds and breeding grounds for some four million migratory birds. It's the largest population of wintering water fowl in Canada. Most of the farm produce in British Columbia comes from the Fraser Valley and the east coast of Vancouver Island. But of the total, 70 per cent of our farm produce is provided by the Fraser Valley, accounting for 50 per cent of B.C.'s annual dollar food crop value, Mr. Chairman, there has been some comment about this kind of an industrial complex providing jobs. I don't think it's going to provide very many permanent jobs. In fact, the kind of refineries that the world is looking at now are almost totally computer-operated. They don't need any people to run them; so the impact on the community in relation to providing work for its citizens is nil and really can't be considered.

The question to be asked, Mr. Chairman, is whether the increased availability of jobs relating to this kind of complex would justify the possible destruction of jobs in the fisheries, farming and tourist industries of the lower Fraser Valley.

In many parts of North America, the people in those communities decided that there wasn't enough justification and have turned down overwhelmingly by public protest the same kind of development that we're talking about now for the lower Fraser Valley of British Columbia.

Some municipal people are jumping on the fact that they're going to get huge increases in municipal revenue because of this petrochemical complex in their area. But I'll tell you that for every dollar it brings in in tax revenue, you'll spend another \$2 in services. Where is that money going to come from? It sure doesn't seem to be coming from the provincial government to help the local government out. There isn't any possibility that taxes will be lowered because of any petrochemical complex.

There are other dangers as well with regard to pollution problems: harmful air emissions, oxides of sulphur and nitrogen, a prevailing wind that blows

[[Page 1193](#)]

from the refinery over the populated area of the lower Fraser Valley, harmful water emissions.

Let's remember that if there is oil coming into that refinery, there will be an oil spill someday. No amount of technology can guarantee that that refinery will never experience a major or minor or in-between oil spill. Wherever oil is handled, an oil spill will occur one day or another. Human error and mechanical failure are facts of life and facts which we can't overlook.

Any kind of oil spill would bring tremendous destruction to the Fraser River and the Delta area systems. Farmland that was to be protected under the agricultural reserve is apparently, without any justification or without any reference even to the Land Commission, going to be appropriated for industrial purposes just at the whim of the government.

I can't stress enough the social impact that such a development, when it is completed, will have on one of the best parts of British Columbia. The industrial activities and the increased population will probably have a very detrimental effect on the communities which are near that complex. The rural nature of the area certainly will be lost. I suggest that there won't be any gain to speak of, and certainly no new jobs provided, because of this petrochemical complex.

The head of the University of B.C.'s chemical engineering department has expressed some serious concern about the possibility of pollution problems in relation to this refinery. Dr. Frank Murray says, as a matter of fact, that the pollution potential of this new refinery is worse than that of any large pulp mill.

Mr. Chairman, I am sure that if the Minister advanced the proposition today that we should put a major pulp mill in the middle of the Hazelmere Valley, he would be run out of this country on a rail. I think the same kind of thing should happen for anyone who suggests that this kind of petrochemical complex go into that beautiful valley either.

Dr. Murray says that the small rivers of Surrey — the Nicomekl, the Campbell and the Serpentine — would be seriously polluted by effluent from a refinery. "It would be a case," said Dr. Murray, "of turning a river into an industrial sewer."

He also points out that as many as 6,000 gallons of oil a day are contained in refinery effluent if there is no recycling of water in the plant. He thinks that there probably wouldn't be any recycling because the plant is located on the ocean.

The noise potential of that kind of refinery, particularly one that uses air cooling towers, as has been suggested by the petroleum corporation, is awesome. Coming, as it does, on the periphery of a quiet, residential area, I can't for the life of me imagine why the government would even consider this proposition.

Dr. Murray also points out a serious conflict-of-interest situation with the government, one that has been recognized before with regard to the government ownership of certain industries, and what used to be an adversary position of the Pollution Control Board. But now, with the government owning the refinery and also being in charge of pollution control, I suggest that that adversary position is destroyed and the government will serve its own interests before it will serve the interests of pollution control in this province. What makes it even worse, Mr. Chairman, is that the Pollution Control Board Chairman, Mr. Ben Marr, is also the Associate Deputy Minister of Lands, Forests and Water Resources. If that isn't a conflict of interest, and if that doesn't conjure up some serious conflict positions in regard to pollution control, I don't know what does.

There is also the question of where the oil will come from. The Minister assures us that it will all come from Alberta. I don't know whether Premier Lougheed will go along with that assurance. The indication is that he might

not. If not, then we are talking about an American supply of oil. That further weakens our position in regard to being the masters of our own destiny in the matter of energy reserves. If, too, the plan is, even in the future, to pump up oil from Cherry Point or some other place in Washington, that would be ironic after all of the concern expressed by this government with relation to supertankers or any kind of tankers on the coast. That too makes me wonder whether or not this government has ever been serious about its concern for the environment.

HON. D.G. COCKE (Minister of Health): It would be interesting if he'd do his homework.

MR. McCLELLAND: It would be interesting if the Minister of Economic Development had done some research in this whole matter and whether or not a simple phone call to his Premier yesterday might have let him in on the secret that British Columbia was going to build in the Surrey area a petrochemical complex.

HON. MR. COCKE: Who said that?

MR. McCLELLAND: Your Minister of Economic Development. Where were you?

Mr. Chairman, there are other people who are certainly concerned about the possible effects on the environment of this petrochemical complex. I'd just like to read a short letter from a group of doctors in the Mission area. There are eight of them who wrote a letter to one of the newspapers in the area concerned. It says:

"We the physicians of Mission city and district wish to notify our objections to the

[[Page 1194](#)]

location of the proposed oil refinery.....

HON. W.L. HARTLEY (Minister of Public Works): On Sumas Mountain.

MR. McCLELLAND: On Sumas Mountain, that's right. The wind blows in the same direction from Surrey, Mr. Chairman, exactly the same direction. This government, the Attorney-General, has said that as far as he is concerned, the Sumas Mountain refinery should go ahead too.

MR. P.C. ROLSTON (Dewdney): He said he was neutral; he didn't say that.

MR. McCLELLAND: That's not true, Mr. Chairman. He said he thinks that there's a need for that capacity and, as far as he was concerned, the Mohawk application should go ahead. He says:

"Meteorological studies have demonstrated a shift of polluted air that tends to centralize over the Mission area. Proven nitrogen and sulphur by-products of a toxic nature, even with a Class A refinery, have demonstrated a hazard to health."

The Health Minister laughs about that.

"This will further aggravate the present situation and prejudice the public health. We give due notification that if plans proceed for this refinery location, we'll suggest to all of our patients in their own interests to petition strongly against any such action."

That's only natural that the same kind of concern, Mr. Chairman, should be prevalent with the refinery in the Surrey area, if that's where it's to be built. I can't think of a more dangerous area to the public health and to the public sensibilities and to the environment of the area than the Surrey area, if that's where it's to be built. I can't think of a more dangerous area to the public health and to the public sensibilities and to the environment of the area than the Surrey area.

The Member for Delta (Mr. Liden), who has been making more announcements on the refinery than any government Member, cabinet Member, I understand, when he returns from Geneva, will attend in Holland to check out a new oil refinery which is being built for the Dutch somewhere in Borsel, Netherlands. If that's true, is it true also that this government is now planning to proceed with a refinery, a so-called grass roots refinery, along the same

lines as the one which is built in Holland? If so, will the government be using Holland studies, or will they in fact finally be doing studies of their own and revealing those studies and the results of them to the people of British Columbia? Will the government accept the recommendations of the Member for Delta when he returns from his study of the refinery in Holland? Or has the government made up its mind without any studies at all? That's what I suspect is the fact.

What is the government's position as well, Mr. Chairman, on the relocation of the Burlington Northern Railroad in conjunction with a refinery if it's put in the Surrey area? I would suggest that the B.C. Petroleum Corp. again, being rather more vocal than the Members of the government, have suggested that one of the results of an establishment of any kind of industrial complex in the south Surrey area will mean relocation of the Burlington Northern Railway and the B.C. Rail line to Point Roberts. In fact, that was one of the comments made by officials of the B.C. Petroleum Corp. when they met some time ago with some officials from the Cloverdale Junior Chamber of Commerce. They told the Jaycees there also that 176th Street in Surrey is the planned truck route for that whole area and that the Burlington Northern Railway will be relocated, likely through the Hazelmere Valley.

So, Mr. Chairman, while the government has been very silent on this refinery proposal and its location, it seems to me that the loose lips of many of the members of the B.C. Petroleum Corp. have revealed far more than the government intended to be revealed at this time. I would suggest that it has put the Minister and the Premier and the members of his cabinet in a rather embarrassing position.

I think there are some serious questions that need to be answered now. They include, first of all, why the South Surrey area seems to have been given a No. 1 priority as a site for the refinery despite the almost total opposition of environmentalists, residents and council members of the Langley-Surrey area. Why would the B.C. Petroleum Corp. even consider the proposal of the relocation of the Burlington Northern Railroad through the Hazelmere Valley, despite again the objection and almost total opposition of Surrey council and the residents of that area?

I think the government now must be required to answer questions regarding the long-term commitment to a source of crude oil for the proposed refinery before any further steps are taken to establish a refinery anywhere in British Columbia. The government must be prepared to ensure to the people of British Columbia that no new pipeline corridors will be cut through the narrow Fraser Valley, nor will that refinery receive any crude oil from supertankers, or tankers of any kind, plying our coastal waters.

Mr. Chairman, the government must also be ready to make a commitment, I think, that if the refinery ultimately is not built in Surrey, then the options on the land in that area already taken will be dropped so that the government doesn't continue to act as a land speculator. I feel that the government may not wish to make that commitment because, once again, Mr. Sawatsky of the B.C. Petroleum Corp. had indicated to those members of the Jaycees that the government wants the land at any cost, whether or not a refinery goes up in the area.

[[Page 1195](#)]

I think, more importantly than anything though, it's time that this government tabled before this House today all studies relating to the refinery proposal. The people of this province should have immediate access to all feasibility studies, marketing studies, engineering studies, environmental studies, and perhaps, even most importantly of all, any studies which will detail the social impact which such a complex will have on the areas in question and what compensation the government plans to make to the municipalities involved for the destruction of the area.

In other words, it's time, Mr. Chairman, that this open government laid all of its cards on the table and began to level with the concerned people of British Columbia. Finally, we want a commitment that if the people of Surrey do tell this government in no uncertain terms that they don't want a refinery, then the government will not build a refinery in that area, and regardless of where the government decides it wants a refinery, that it will put the question to a referendum in any of the areas which are being considered. Thank you very much, Mr. Chairman.

HON. G.V. LAUK (Minister of Economic Development): The Hon. Member for Langley has covered a lot

of ground, and some of it shifted under him. But it seems to me he's done so very cleverly because he's taken pieces of information and placed them together and given us a picture that really isn't the case. picture that really isn't the case.

Let's talk about the broader issue of an oil refinery. First of all, referring to the Premier's news release, which I am sure all of you have (laughter), there is a paragraph....

AN HON. MEMBER: Could you send me one too?

HON. MR. LAUK: He insured that the opposition Members received one and then I received one. But I didn't need to see it. I knew substantially what the Premier was going to say in Ottawa.

MR. McCLELLAND: Why didn't you say that in the House yesterday?

HON. MR. LAUK: I never for a moment stated to you what the position, one way or the other, was yesterday for the simple reason that the Premier was going to make a statement. This should appear perfectly obvious to the Member for Langley, because I know he is an intelligent man and he should be the leader of the opposition party. He should be the leader. He's a great fellow and he's beloved in his constituency, oh, by two or three people whom I know of.

MR. McCLELLAND: Name names.

HON. MR. LAUK: Mrs. McClelland. (Laughter.) But, Mr. Chairman.... Pardon me, I have a note to retract that. (Laughter.)

Kidding aside, what the Member has done is put together pieces of information that shouldn't be taken together because they give an incorrect picture of what the situation is with respect to an oil refinery and the government's role. James Rhodes is quoted in the Premier's press release as describing the kind of oil refinery it will be. He said that he didn't know what type, but he did say that it would include gasoline, jet fuel, bunker oil, asphalt and heating products. Now, this is an oil refinery. It is not a petrochemical complex. I am going to make that clear. Any kind of decision or consideration of a petrochemical complex in British Columbia, it seems to me, must be related to natural gas. I'll just leave that with you.

Interjection.

HON. MR. LAUK: Now, the Member mentions no jobs. Well, perhaps the number of jobs in operating a refinery, on a maintenance basis, is not great. But there is a broader issue involved. The people of British Columbia, in particular the lower mainland where there is a shortage of gasoline products such as that described, have to make a decision. They have to decide whether they want heating fuels, gasoline for their automobiles, or are they going to import it at great cost?

MR. CHABOT: Oh, it's going to be cheaper, is it?

HON. MR. LAUK: We can see that there will be shortfall. I can't give you a figure offhand, but the refineries around Burrard Inlet have indicated and documented how there'll be a shortfall in the local market and their expansion has been curtailed by local action there because of objections to the expansion of these oil refineries. There's been some objection in Surrey, and probably if we wanted to put it in Merritt or wherever else, there would be some objection there, but, you know, the people of this province have to make up their minds. It's not just the government's problem or the Legislature's problem, it's the problem of all of us, and the crunch decisions have to be made.

Interjections.

HON. MR. LAUK: Well, let me deal with the broader issue because it has not been mentioned. You can't have it both ways.

If you want automobiles and you want these kinds

[[Page 1196](#)]

of petroleum product services, you've got to make these crunch decisions. If you want to eat, you've got to have a garbage can in the back yard.

MR. CHABOT: No, you don't.

HON. MR. LAUK: Or if you have great wealth, like the Member for Columbia River you can have a Garburetor. You know, if bunker C fuel and so on isn't related to the lifeblood of the forest industry and jobs in this province, I don't know what is, Mr. Member.

I think you've got to look at both sides of the story. You can't just give one side of the story. You have a responsibility to the people of this province, as a Member of Her Majesty's Loyal Opposition, to present both sides, the way the government side always does.

Interjections.

HON. MR. LAUK: It's unique in an adversary system, but I don't think this should be an adversary system. I think the people of this province want you and I to act cooperatively and together.

The Hon. Member for Langley (Mr. McClelland) indicated there's a pollution problem. He quotes Dr. Murray. Well, I haven't spoken to Dr. Murray; nor have I seen material from him. I must apologize to the Hon. Member, but I can't accept a thirdhand or secondhand report of what he said, because you did say there were juvenile delinquents who were housed in the Empress, and your colleagues have made similar misstatements to this House. So I'm a little bit hesitant to accept your version of Dr. Murray's words.

Perhaps he did say that, but if he did say that, I think that it's an exaggeration. I think we have to look at the modern oil refineries that are being built in the United States and elsewhere. The indications are, from observations and information that we have, that the pollution problem is not very great and that the fears expressed by the Member for Langley, although I would not criticize him for expressing those fears in this House, are probably unwarranted.

What really is a surprise to me is the sudden concern of a Member of that particular party for pollution control and ecological problems. Where were they in those days when the government, in a very arbitrary and dictatorial fashion, expropriated Roberts Bank land and backup land — farmland, prime agricultural land, hundreds of acres — without proper compensation, it seems to me, to the farmers there who were forced to give their land to the government? It was a typical takeover of land by the Social Credit administration. This is the kind of situation that occurred in the previous administration. Where was the Member for Langley then? Was he an alderman then? I don't know. Why did he join the Social Credit Party when he has that as the record of his party? He now stands up as a shining white knight from Langley protecting the environment and the ecosystem and, as I said previously, only expressing one side of the story.

This government has a responsibility to the public good. That public good must be expressed in terms of several priorities. This government, may I remind the members of this committee, was the government that placed a priority of the environment at the top of the list and not at the bottom, as the previous administration had before.

MR. G.B. GARDOM (Vancouver–Point Grey): Oh, come on, Gary!

HON. MR. LAUK: What about the Roberts Bank and what about the pulp mills that went up all over the province?

Interjections.

MR. CHAIRMAN: Order, please.

HON. MR. LAUK: Thank you, Mr. Chairman. It's not as if these Members would not have an opportunity to take their place in committee debate.

What about the pulp mills that were established under the previous administration, with very loose pollution control measures?

MR. GARDOM: Did the government own them?

HON. MR. LAUK: Oh, the Hon. Member for Vancouver–Point Grey — and I only have to refer to the Member for Vancouver–Point Grey because his colleague from the same riding (Mr. McGeer) is never here.

AN HON. MEMBER: He's in Ottawa.

HON. MR. LAUK: Oh, I see. Was he invited? That's an amusing scene indeed: the Premier going to Ottawa and he's closely followed by the First Member for Vancouver–Point Grey, flying in one of those DeHavilland Twin Otters from Scare West, landing on various lakes on the prairies and finally getting to Ottawa with his little briefcase stuffed with material on the great injustice to the west.

Interjection.

HON. MR. LAUK: Well, I wish you'd make an attempt once in a while, Mr. Liberal Leader (Mr. D.A. Anderson). It might raise the level of your argument.

MR. L.A. WILLIAMS (West Vancouver–Howe

[[Page 1197](#)]

Sound): You're one of the worst lawyers in Vancouver. You had to go into politics to keep from starving to death.

HON. MR. LAUK: Now so far as the Dutch are concerned, the Hon. Member raises the question that the Member for Delta (Mr. Liden) is travelling to Geneva and on his way back he's going to look at Holland. You know, Holland has a small area. They have to service a fairly large population for a small area, and they take very good care of their land. Their land-use policies are excellent and they're very pollution-control conscious. It seems to me this is an appropriate thing to do.

I won't deal with the specific details of the oil refinery. I refer the Hon. Members of the committee to the Attorney-General (Hon. Mr. Macdonald), who is in charge of the B.C. Petroleum Corp., and to the Premier himself who has made the announcement.

I think it's appropriate that the questions of this assembly be directed to those two Members insofar as the details are concerned.

But I rose in my place, Mr. Chairman, just to bring to the House's attention that there are broader questions involved and not just the narrow questions raised by the Member for Langley.

MR. McCLELLAND: Well, to follow up on some of the answers that the Minister gave, I find it incredible that he considers the question of pollution problems with regard to a refinery in the lower mainland area.... Maybe I'm misunderstanding the Minister, Mr. Chairman, but I again had the distinct impression that he was telling this House, without putting it in so many words, that that refinery was going to be in the lower mainland of British Columbia. He certainly didn't deny it, and he mentioned the lower mainland on a number of occasions. That Minister has a callous attitude with regard to the feelings of the people in this area when he says that the people of this province — and he mentioned again the lower mainland — have to make up their minds. "If you want the service you are going to have to take the pollution." That's about what he said. "If you want to eat, you have to have a garbage can in your back yard."

Well, I would suggest that if you want to eat, it might be nice to have some farmland on which to grow those

vegetables as well, instead of having the government riding roughshod over the planning authorities and dumping that kind of massive industrial complex on farmland. You've got to have the farmland or you don't need the garbage can in your back yard, I'll tell you that.

He says that if the people want to drive their cars, if they want gasoline, they are going to have to put up with an oil refinery in Surrey. That doesn't make any sense. I would suggest that the people also in that area have the right to decide what they want to have from their environment and what kind of lifestyle they want in their community. If they decide they don't want a refinery complex plunked in the middle of their residential area, then this government should at least have the common sense and decency to at least listen to their complaints and concern.

With regard to your comments about modern oil refineries not creating any pollution problems, I'd say that that is just like an ostrich ducking its head. As I have said before, if there is oil there will be a spill, because man just isn't perfect. If there is a spill it is going to have serious effects on the ecology of the area.

I will just make a couple of quotes that were provided by the Society for Pollution and Environmental Control, where it refers to a proposed refinery only 80 per cent larger than the one under discussion here.

"Dr. Cornelius Wilson, a Rhode Island University engineering professor and former oil industry chemist said that such an oil refinery would daily emit hydrocarbon equivalent to that emitted by 700,000 new vehicles, nitrogen oxide equivalent to 54,000 cars, carbon monoxide equivalent to 156,000 automobiles, and sulphuric acid on par with the amount of sulphur burned in oil to generate 166,000 kilowatts."

That was from a report in 1973, when all the present technology of oil refineries was also known.

From a year earlier, the same source:

"Comparing the relative health hazards of industries main pollutant, sulphur oxide, and the motor vehicle's main pollutant, carbon monoxide, the EPA reports that oxides are 10.5 times more toxic to human beings than carbon monoxide."

Finally:

"The stationary polluter, particularly refineries and power plants, emit almost all of the sulphur oxides monitored by government agencies in the United States."

For that Minister to stand up and slough off the concerns over pollution problems with regard to a refinery complex of this kind is not only callous but is a little stupid, in my opinion. That Minister should at least admit that pollution control is going to be difficult, given the nature of the area involved.

May I just reiterate, Mr. Chairman, that the people of this area don't want that refinery there and we certainly don't want it shoved down our throats.

HON. MR. LAUK: I want to make one point. It is clear from the press release — and I should make it clear to the Members of this committee that I could express an opinion about the desirability of having an oil refinery in the lower mainland — that there has

[[Page 1198](#)]

been no decision made yet about the location. That should be made clear.

MR. McCLELLAND: Do you want to give the land back if you decide not to use it?

MR. P.C. ROLSTON (Dewdney): Mr. Chairman, first of all, you know there is reference back and forth. There are a whole lot of things that have been thrown up this afternoon. We will be discussing the Pollution Control Branch later on in vote 164. But I think recognition needs to be given that there is more money definitely in the budget for that; it is a priority with this government. This particular province, if you take the wood industry alone, is spending over half the money of the whole nation in the forest industry on pollution control devices. We will later on

be debating it in more detail in the pollution control vote.

I happen to believe that Ben Marr is extremely capable, one of our best public servants. I quite frankly think he is an excellent chairman of that department.

I want also to correct just a few things. I could have heard wrong, but I heard the Attorney-General (Hon. Mr. Macdonald) say that this government recognizes that Mohawk Oil is a private company. Really, quite frankly, he said the government is neutral; it needs more information.

He's heard me on several occasions. Certainly there needs to be more information. We are glad at least that the Central Fraser Valley Regional District is doing a study, I think through Thurber and Co. In fact, I talked to Barry Jamieson of the Central Fraser Valley Regional District recently and have got the Mohawk report, as I'm sure the other Members have. We are concerned. It is a private company.

It is important, I think, that the politicians make sure that some really adequate, objective environmental impact studies be done on the Mohawk site which is up in the saddle near Straiton on Sumas Mountain. I have said that certainly we're concerned. As an MLA, I live five miles away from that site, which is a great deal closer than the Member for Chilliwack (Mr. Schroeder) does. A great deal of the population in my riding could be seriously affected by the temperature inversion and the sulphur dioxide and the smells that we fear would never get out of the Fraser Valley. I understand that there is a concern that in the daytime the odious smells leave the Fraser Valley but don't really leave far enough and are unfortunately blown back in at night. So these smells of sulphur dioxide which still are a concern, would stay and would damage this part of the Fraser Valley.

I think it is also fair to give credit to the industry where due. Little credit has been given to the industry by these Members. I think the Member for Delta (Mr. Liden) reminded us that if you go down to Long Beach, California, if you go to Newport Beach and some of these new refineries down there — and certainly, I gather, if you go to Europe — you see that a great deal has happened in the 20 years since oil refineries were expanded in Burrard Inlet. There's a great deal of competency. Let's give credit to that. We seem to be very critical of the industry.

I did visit two large oil refineries in Newport Beach, which, as you know, is about 40 miles southeast of Los Angeles. This was only a week ago. Quite frankly, you don't see houses within three miles, but certainly there are a lot of houses and a lot of population three or four miles away. It really didn't seem that bad. In fact, Newport Beach, which is one of the larger state parks in California, is only two or three miles away from this refinery. So let's give credit. I think that in this case it was Gulf.

But I am certainly concerned, and I know that the doctors who wrote that letter to the editor were certainly concerned about these things. We are waiting for the environmental impact study, which is being paid for by Mohawk but is for the Central Fraser Valley Regional District. Some people get a little cynical about studies that are sometimes done for clients that say what the client wants to hear. I am always concerned about that. But I believe a real job can be done. I think we are open to it. It is interesting that there was a four-to-two vote by the regional district, at least, for this study, which seems to indicate that they want to at least get a lot more information. I think that in most of these discussions, the House still needs a great deal more information before politicians here or politicians in regional districts make these decisions.

This brings up the question, Mr. Minister, that I hope and pray, as one who took a degree in economics at the university, that we are not just making economic decisions on things, that it's not just a profit-and-loss exercise, that we are concerned....

Interjection.

MR. ROLSTON: Well, all right, I'll make my appeal.

MR. PHILLIPS: Your prayers are already answered.

MR. ROLSTON: We have the Ocean Falls decision and, thankfully, we made \$50,000. That's very joyful. If

we didn't have that flood in Ocean Falls, we would have made a little more money.

You've heard me before. I've made this speech three times in three separate estimates. Whether it is Mohawk Oil or whether it is industrial parks in other parts than the Greater Vancouver Regional District,

[[Page 1199](#)]

we don't just make profit-and-loss straight, technological, economic decisions, You know what I mean. You maybe could be called the "Department of Social Economic Development." Certainly, if you'll bear with me, I think I can illustrate the whole need to move some of the concentration of industry out of the Greater Vancouver Regional District. Of course I have an axe to grind.

Sure, I have a riding, not in the Greater Vancouver Regional District, that is short of industry, where fathers and mothers do have to leave early in the morning and fight their way through that traffic into Coquitlam and Burnaby and downtown Vancouver. Even though we have hourly bus service now from Maple Ridge, that will never be good enough. So again I repeat my appeal to you that you appreciate more the dilemma of people outside the Greater Vancouver Regional District who would like to see carefully conceived, socially conceived economic development, where we carefully consult every group that you can think of.

Please tell me if there is a group I haven't consulted when it comes to the 131-acre industrial park in Maple Ridge about which, you know, I have talked to you many times. I appreciated two weeks ago another meeting with you.

I just remind you that you need to be aware that we can provide serviced land for \$32,000 an acre, which is very competitive, we believe, to equivalent industrial parks in the greater Vancouver area and at least as competitive as my friend, the MLA from Langley (Mr. McClelland). I can detail the land costs, the flood-proofing costs, the service costs. We're updating our figures, of course, all the time. Even with the option money that we as the municipality of Maple Ridge have had to put out on these properties, we sincerely believe — this is not just an exercise — that there are clients. In fact, we have listed clients — Pirelli Cables Ltd. being one of the biggest clients that we would like to have seen out of Vancouver into the central Fraser Valley and into the hinterland of British Columbia.

I sincerely believe — and I would like to hear from other MLAs — that there are skilled people out there; there are the skills. A lot of people will move out of the central area with the skills, but they need attractive, socially conceived industrial areas. We believe that there is the transport system now and there is very elaborate telephone and Telex. You can communicate instantaneously, as MLAs know. That kind of loneliness really isn't a problem.

But my appeal to you is that we need to stimulate this. It is difficult. Sometimes the consultants say: "Well, it just can't be done. They must live in Vancouver. You've got to be near English Bay to go swimming and sailing." I just can't accept that. So I appeal to you again, certainly on behalf of the corporations of Maple Ridge and Mission and the people there. We believe we have two very viable sites; we know that these industrial parks are attractive.

Of course, I've said many times that I would like to see that the three levels of government in a sense benefit from the elevating of land. For instance, if the Department of Highways in five or six years' time put a new highway from the interchange at Riverview past Mary Hill and a new bridge across Pitt River and through the highland of Pitt Meadows and into Maple Ridge, which will greatly enhance the Maple Ridge area, surely it's socially responsible economic development that we take advantage of that enhancement which will take place with that new highway corridor. I'm sure this discussion could be emphasized in many other municipal areas.

Unfortunately, people in my riding and, I'm sure, in every riding hold land and sometimes don't even pay taxes. They wait until tax sale. Of course, you have a year's forgiveness after tax sale. They pay the 8 per cent, plus, I think, a 10 per cent penalty. You can correct me, but I think it's a 10 per cent penalty. Those guys don't pay taxes until the last minute. You talk about social consciousness. They hold the land around areas that we're trying to develop — Maple Ridge is an illustration. We should benefit as a municipality and the Crown should benefit from the appreciation. Incidentally, we will be paying taxes on an industrial park, I'll assure you.

All I ask is that the Crown guarantee the advances and the loans to the municipality of Maple Ridge. As I say, a tremendous amount of work has gone into this. We have updated our figures. I ask you to go back to BCDC (British Columbia Development Corp.) Again, I guess it's really my appealing to you for a certain expectation, shall we say, about social economic development out of the Greater Vancouver Regional District. You already have commitments at Tilbury, some commitments in Burnaby, and B.C. Hydro is into Langley. There are commitments in Kamloops and Prince Rupert.

I would like to ask you, and I think you should tell this House, how much of that \$25 million that statutorily we have given you is already committed in your programme. I would like to hear that because I would like to know, of that \$25 million, how much can go to my area.

I, personally, differ with the Minister putting money into Finlay Forest Products at MacKenzie. Mr. Trethewey, I believe, is one of the principals. I would have thought that that money, again in a social sense could go further by providing serviced areas so that clients don't need to tie up money in land and buildings. It would be much better. As somebody said last night at dinner, the big problem with business today is that they're just desperately short of working capital. They need liquidity, and there's not much

[[Page 1200](#)]

liquidity when everything is tied up in land and in buildings and in equipment.

So I guess I repeat myself. I would like to see that it's not just the technicians but it's the social impact — the real questions about planning. I appeal that stuff be taken out of the greater Vancouver area. It's already pretty heavy now. I'll assure you in my case of a tremendous amount of consultation, if you tell me politically and socially what we haven't done to prepare the Maple Ridge and the Mission industrial site. The Mission site is already zoned industrial, according to the lower mainland regional plan. We would certainly like you to know.

I think there's a responsibility by this Minister and of the whole House to promote some unique products that are made in British Columbia.

If I could just illustrate, just for a moment, I don't know whether anyone else knows that one of the expanding industries in Victoria is a floor industry that makes flooring. You should hear this. There's a young fellow who started out and he's just incredibly successful. He will design a flooring to suit. Whether it's the Gardom crest, he will make that flooring, and he's got sales all over the world. He's doing foyers in hotels in London, England.

There's another industry out in Agassiz — you ought to hear this — that's making rugs, tapestries, sculptured rugs, and these are in some of the outstanding foyers of hotels throughout the world. This is just a very small one. You read about this in Beautiful B.C. magazine about half a year ago. It's a small industry that needs to be encouraged and there are many like this.

The beautiful thing is that you don't have to look for customers. There are the customers, but we need to have places to put them. I would certainly encourage the Minister to get on with that \$25 million. Let's spend it carefully. The House certainly wants to know where it's going and I think the House wants to give you some direction. We don't just want to get press releases on what's happened, but to give you some direction on what's happening.

I thank you for this time and I feel it's very responsible that there be work close to where we live. Thank you.

HON. MR. LAUK: I'd like to respond to the Hon. Member, Mr. Chairman. I don't want to filibuster my own estimates, but I think the committee and the people of British Columbia should know he is one of the most hard-working MLAs in this House. If he spends 10 per cent of the time with other Ministers that he has in impressing me...

MR. D.A. ANDERSON (Victoria): In other words, "Get off my back." (Laughter.)

HON. MR. LAUK: ...with the arguments about Maple Ridge and its industrial requirements and the kind of

thing it can offer....

The most recent change that has occurred, of course, is the possibility that a highway will be going through the region. It changes it considerably. Also I met with the city officials from Maple Ridge who presented me with some different figures with respect to the development of that industrial park. For that reason I can inform the Hon. Member and the committee that I've referred the matter back for reconsideration by the development corporation.

Again, I support his argument that we'd be socio-economic planners and not just economic planners, and largely because of the arguments that you put forward.

MR. D.A. ANDERSON: Mr. Chairman, we appreciate the critical remarks of the Minister in his attack on the previous speaker, but I wonder whether or not his suggestion that he spends only one-tenth of the time that he spends with this particular Minister with others is an indication that he's getting pretty fed up with the number of times that Member's on his doorstep.

Nevertheless, the Minister earlier on made some statements regarding the public making up its mind as to what it wants, and he talked specifically with reference to an oil refinery. Those were pretty good words, but the problem we're faced with, Mr. Chairman, is we can't even, as the Member for Dewdney pointed out, have a discussion in this Legislature on what we want, let alone have the public have a discussion upon what they want, because the facts are not being put forward by the government Ministers.

For example, we have the press release, referred to by the Minister of Economic Development, of the Premier talking about the petroleum refinery. It goes on to say: "He made the announcement, after receiving an assurance from the federal energy Minister Macdonald, that the export price of B.C.'s natural gas would be increased on August 1, 1975." Well, Mr. Chairman, there's no connection between the two subjects because, as this Minister has pointed out and as every other person that's talked about this refinery has pointed out, the fact is it's to meet a need. It's not connected to some other product sale price in the United States. There will be shortfall, as this Minister points out, unless something is done. To suggest that that's related to any conference in Ottawa is absolute tripe. The Minister knows it, I know it, and I'm sure the Premier knows it. When we get press releases like this which just start off on such a phony, factually inaccurate basis, we get pretty fed up.

The press release goes on to talk of a few other things. They've got the ingenious little twist in here, which certainly should entitle Mr. Twigg to an extra

[[Page 1201](#)]

\$5,000 a year, whereby within the press release they answer hypothetical questions at a press conference, which is really intriguing. They're trying to sort of second-guess the press in that way. Great stuff, but the fact of the matter is that we do need factual information on this.

That press release following that meeting in Ottawa came out on April 9, but an enterprising reporter by the name of Andrew Ross of *The Columbian* newspaper on February 12 gave plenty of details on the refinery. Apparently he had a source and he talked in *The Columbian* under the heading: "Government 'Committed' to Hazelmere Refinery." He says that his source, who asked not to be identified, "said that he had a hunch that the government will announce its refinery intentions during next week's throne speech." They didn't; they announced it now. But the fact is the decision was made before Ottawa. This Minister knows it, I know it, this reporter knows it, his source knows. We all know it. Now why link these things in this non-factual, indeed quite fictitious, way?

He says the refinery would take up about a third of the 1,800-acre Hazelmere site and would not necessarily include "supporting industries." The refinery will cost about \$300 million to build and will have an initial capacity of 80,000 barrels per day, with expansion to 200,000 barrels within 15 years. Now that's where the billion dollars figure starts coming in for this refinery. It's not a \$350 million dollar refinery; it is an enormous undertaking if we proceed as the plans call for at the present time.

Ross goes on to write: "It will be modeled on a four-year-old 100,000 barrel per day refinery in Goteborg,

Sweden owned by British Petroleum, and will be almost pollution free, the source said." Now, again, we hear talk about British interests getting involved in this. Apparently we're to interest another multinational — BP — in British Columbia despite the criticisms of this government of multinational companies.

All this is in *The Columbian* newspaper back in early February. It gives details on water, which would be drawn and discharged into the Nicomekl River. It talks about an attempt being made to recycle as much water as possible. He goes on to say that if the government gave the go — ahead today, construction could begin within three months and the refinery could be in operation within four years. This is all repeated information which we've had from this so-called press release, in this so-called announcement which came out of Ottawa when the Premier had nothing else to say down there.

The article — and again my thanks to Andrew Ross — talks of 2,000 persons being employed to build the refinery, but only about 300 persons would be required to operate it once it was completed. Then — and here comes the fun part — Ross went on to ask a few questions as to whether or not public officials, B.C. Petroleum Corp. officials and representatives of the government would be coming to a public meeting which was to take place the following day, February 12. It was on the 11th that he wrote this article; the 12th the meeting took place in the valley at Cloverdale Community Centre.

This is the interesting thing.

"There's no way we'll convince these people. They're out to hammer us. We'd just be fanning the flames to speak to them because the cabinet hasn't made up its mind officially and we'd appear evasive."

They did not come to that particular meeting. Nobody came to that meeting except the Member for Delta (Mr. Liden), who's now off on some other trip somewhere else. He gave the government's position when he said that it would not be located there if the public there didn't want it there.

Now I don't know whether that was a statement of government policy, but I read something in the Kitimat newspaper about this Minister's remarks regarding a steel mill, where he said and I understand he has commented on it since but he said in the first quote that a small group of people in that particular area would not be allowed to hold up a programme for the benefit of all of British Columbia. I believe I'm quoting him reasonably accurately. He nods his head in agreement.

Well, we have the only government person who came, namely Mr. Liden, the Member for Delta, saying: "No, you're not going to get it if you don't want it," and we have the Minister saying: "We're not going to allow small groups of people in certain areas to hold up things for the general benefit and good of the province." I think the Minister's point of view is probably correct, constitutional, and the governmental point of view. You have to take decisions, occasionally, over the wishes of local people; that's known. But is the statement of the Member for Delta government policy in this instance? We don't know. He went on to say that it would cost 50 cents to \$1 a gallon more to have it refined at Merritt or somewhere else in the interior. I don't think he was right on that at all.

The fact is, Mr. Minister, You can talk glowingly — and you do talk effectively — about the absolutely dismal and appalling record of the previous government in the area of pollution control and you're right. But it doesn't mean that because you're marginally better in some instances, you therefore have carte blanche to go ahead in this instance, or any other instances, with your pulp mills, with your refinery, with your steel mill, and act in very much the same manner. It's fine for you to talk here about letting the public in and the public must make up its mind, but you're not giving the public information. Finally, when some decisions come out in the way of

[[Page 1202](#)]

news releases, they're linked with matters which are totally irrelevant to the question of building a refinery.

If we're to have a serious discussion of a refinery, a steel mill, or anything else — any other industrial development programme in British Columbia — we're going to have to get some factual information from the government. This secrecy which the government has — this desire, this determination not to say anything at any cost

— is going to have to be swept away.

Let me, while I'm on that point, thank the Minister of Consumer Services (Hon. Ms. Young) when she came back to the House yesterday, for speaking up and saying she's made an error the day before. We were on to a point, in the opposition, which we simply could not understand. The previous night she had not answered our questions. The next day she came back with information. Would more Ministers do that? Would they come forward with information so that estimates can be put forward in a reasonable, responsible way and there can be discussion of issues and facts and not simply hurling of slogans from one side to the other?

I would like a number of specific questions answered by this Minister on this particular proposal.

[Mr. Rolston in the chair.]

First, I would like to know whether there is any written communication signed by the Premier of the Province of Alberta, any cabinet Minister of the Province of Alberta or any Deputy Minister of the Province of Alberta or any high officials of the energy component of their civil service guaranteeing us the increase in crude oil that a new refinery will require, or, in that statement of the Premier's where he talks about: "Supply of crude oil for the refinery will come from Alberta through the existing transmountain pipeline following talks between the B.C. Petroleum Corp., the Crown agency, and Alberta officials"?

It appears that this can be read two ways, but the logical way to read it is: "We haven't yet had those discussions, there haven't been those talks yet with the officials in Alberta, and we have no commitment at the present time with respect to a source of supply."

It may well be that we will never get a guarantee and the Premier intends to throw \$350 million into a proposal, or more, and then squeal to the federal government to get some sort of allocation of Alberta crude to make sure that this refinery will work. That, of course, will be three or four years in the future when this refinery is finally constructed. It may be that there is no such guarantee. But if there is a guarantee, if there are the assurances that this Minister talked of yesterday, for heaven's sake, let us know about them. This certainly is point one, fact one, about a refinery, and if we've got it, let us know. I'm worried about it, but obviously I don't have the information that the Minister has and cannot say one way or the other whether it is available.

Certainly we are going to have to look closely at the question of conflict of interest. It has been mentioned before and I'll mention it again: the worst mills for pollution in the province are government-owned mills. When the Minister of Lands, Forests and Water Resources (Hon. R.A. Williams) takes such pride, which he does, in the profits of these companies, I respond by suggesting that profits might be substantially lower and the pollution control substantially higher if he would only separate the two functions of government — one running the company and the other protecting the public interest in pollution control. We must have the government authorities and the pollution control branch and the Ministers responsible totally independent to vigorously push and protect the public interest and insist on environmental protection and pollution control devices. They are not in that position when they are directors of companies and responsible for profits of the companies.

I would like to quote from a very brief presentation by one Ivor Donald of White Rock, who spoke at that meeting in early February at Cloverdale. He said, and I am quoting from the second paragraph.... By the way, Mr. Chairman, Mr. Donald is the secretary of the Save The Beaches Association and he is acting here on instructions from the president, Mr. Hastings. He says in the second paragraph:

"There have been many proposals in the past which, if implemented, would have endangered our beaches. In those cases the provincial government was always the final authority, and by appeal to the provincial government, our group and others like us have been successful in preserving our beaches. What gives us the greatest degree of concern is that in this case the provincial government, through its own agency, the B.C. Petroleum Corp., is the proposed developer."

He puts in a nutshell there the conflict-of-interest problem which is bedeviling pollution control and environmental protection in British Columbia. It was bad enough before. Previous to this government we had a system which was not good, but at the present time it's probably much worse because there is not the independence

of the government from the companies, from the Crown corporations, which existed in the past. Now you have people who are concerned about environmental problems totally stymied in their efforts to appeal to their MLAs or to appeal to the government, because those MLAs, as was indicated earlier by speeches made by

[[Page 1203](#)]

government Members and Ministers, as has been indicated frequently, are bound up in the success of the Crown corporation in which the government owns shares.

This is becoming a real problem. I raise it under this Minister's estimates; I can raise it under the Minister of Recreation and Conservation's (Hon. Mr. Radford's) estimates and I can raise it under the Ministers of Lands, Forests and Water Resources' estimates, because if the government continues to get more and more involved in the private sector, more and more involved in the manufacturing and primary industries of British Columbia, we are going to see issue after issue of this nature.

Mr. Donald put his finger on it in the case of this refinery. The public cannot appeal to the government. They cannot get the reasonable hearing they would have were that refinery, for example, a Gulf, Shell, Mobil, or some other company. Because it's a government refinery they are simply going to get government justifications of their already-made decisions.

I urge the Minister, who I must say has been very reasonable in these estimates so far in attempting to deal with issues and real facts, to start putting on the record some facts about this refinery.

It's no good having civil servants say that they are not going to attend public meetings because they'll get hammered with questions. It's no good the government waiting until it's got its whole mind made up. The procedure that we should have is a proper public examination and public inquiry. We should, at the same time, have experts, environmental experts, who are acting independently of the government, doing studies as to the validity or otherwise of the proposed refinery. We must have an independent environmental impact study of this refinery. We must, at the same time, have proper public input as to the decision on location.

Indeed, as the Minister points out, perhaps we also need a little bit of examination as to where society is going and whether or not we could avoid this inevitable, increasing number of refineries by changing lifestyles. That is a much more involved subject. But, you know, Mr. Chairman, the United States would not be importing oil today and would not have their energy crisis if the United States automobile was of the average size of the Japanese as opposed to the average size of the American car. They just wouldn't have it.

The Minister is right in saying the public must make up its mind. The public is not being given any opportunity by this secretive government to get the facts and then make up its mind.

Sure, there are tough decisions. I am not one who says: "Look, no refineries anywhere. Nothing, nothing, nothing. We are going to go back to horses, which at least have a biodegradable exhaust." We are not going to do that and we are not promoting that. We are trying to get the government to come up with some facts so that reasonable decisions can be made.

Having talked at some length on that one subject, which in actual fact, Mr. Chairman, comes under the Attorney-General's estimates, I would like to turn to the specific responsibilities of this fine Minister. I naturally spoke a little at some further length because this Minister has taken pride in his steel mill and also in the refinery. He talked about them, and the Premier has mentioned them in the context of this Minister's work. That is perhaps why I discussed it here.

Also, I must give this assistant Attorney-General credit. He's a little more energetic than the Attorney-General (Hon. Mr. Macdonald) presently in place. If the present Minister stays around, he too may wind up in the front bench instead of the back bench, provided the government survives. I think we may get a more energetic response from him, and I've discussed it for that reason.

Turning to government programmes, it seems to me that one of the first things that we should be looking for in government programmes, be it the Minister of Consumer Services (Hon. Ms. Young) or be it this Minister, is efficiency. The first way to get efficiency is to wipe out duplication. I am concerned that there is tremendous duplication between the federal Department of Consumer and Corporate Affairs and the provincial Department of Consumer Services. I think they should both be working out of the same office and that we should not have this system which we presently have of people being sent every which way and not really getting the information they desire.

I see that the federal and provincial governments are trying to co-ordinate their efforts, and I would like the Minister to perhaps spend a few minutes on what you are doing. The provincial government programmes are essentially the technical assistance programmes for expanding facilities; they are essentially market development assistance programmes to expand exports; trade mission programmes to get people abroad; trade show assistance programmes to assist in trade shows; an incoming business programme; the Farm Products Industry Improvement Act programme which is designed to help out agriculture; and finally the development corporation.

I worked for a number of years as an assistant Canadian government trade commissioner. I was involved in such things as sending a number of delegations to Canada, some from countries we didn't recognize, such as mainland China in those days. We had trade shows in China. We had a trade mission programme; we had market development assistance programmes. In fact, of the six headings for programmes under this particular Minister, three are

[[Page 1204](#)]

duplicated by one of the federal government departments. I wonder whether he would like to say a few words about co-ordination.

I have a few more minutes. I would just like to run quickly through some of the programmes that there are. We have DREE (Department of Regional Economic Expansion) which the Minister has talked about. I wonder whether he would be a little more candid than he was yesterday about the DREE programme. He knows full well that there has been delay after delay after delay in the signing of the agreement, in particular with respect to the Peace River. To happily say it is because of power blocs down in eastern Canada is false. He knows it to be false. He knows that the delays need not have happened. Indeed, some of these agreements could have been signed earlier than 1972, had the previous government got going on it. Some of these agreements could have been signed between 1972 and today. To make these bland oversimplifications, which indeed are false, appealing to prejudice, is unworthy of this particular Minister.

There is the IDB (Industrial Development Bank), I wonder how the IDB works in with the technical assistance programme?

HON. MR. LAUK: Point of order. I'm sure that the Member didn't mean to, but for clarification of the record I would ask the Chairman to ask the Member to withdraw the imputation that I deliberately made false statements to the committee.

MR. CHAIRMAN: Yes, agreed. Any false statements to the House should be withdrawn.

MR. D.A. ANDERSON: Right. Mr. Chairman, perhaps he was carried away by what he said. I will withdraw that statement of mine. However, I am sure that the Minister himself would like to seriously modify his statements yesterday, which I have before me, regarding DREE — the DREE programme, as he mentioned it, on pages 138 and on. He goes on:

I think the Minister is sincere, but I think his colleagues who depend upon the political power base of Ontario and Quebec call the tune, and that tune is:

"The money goes elsewhere, not B.C."

Well, if he has any idea of the Maritime proposals — the Maritime DREE programmes — he'll know that that's a pretty nonsensical statement.

The DREE programme that he talked of....

Interjection.

MR. D.A. ANDERSON: In your speech yesterday regarding DREE, where you went on to say.... It was page 138 and 139, I guess it is — 138-3.

The fact is that DREE programmes in British Columbia have not been affected by the desire to spend the money elsewhere. We know of the experience of the Okanagan where the former Premier has agreements with the federal government leading to industrial expansion most unwise industrial expansion, in my view which seriously affected the water supply in the area that is essentially a fragile region, from the point of view of water.

Anyway, the federal programmes that there are, which are listed, indeed, by the Minister's own department's consultative services publication, one to two pages.... Joint programmes are there as well; there are two joint programmes. I'd like to know how the provincial programmes, which seem to overlap absolutely directly, are co-ordinated. I feel that the \$5 million being spent by this Minister's department is relatively little. Most of it appears to me to be supplementary programmes to the federal; perhaps he can comment on that. It is very small, indeed, in comparison with the amount of money that his counterparts in other provinces have provided. British Columbia provides a very, very small percentage to this particular department in comparison with the other provinces of the country. It appears that most of what is being done at the present time is the odd bit of patching here and there.

I wonder whether the Minister might like to indicate what the proposals are in the future for developments of the department, as opposed to specific things such as steel mills, smelters, refineries or whatever, because the department he has is important. The Premier keeps stressing the need for secondary industry, yet it appears that this Minister's work is not being given much priority when it comes to funding. The Premier talks frequently about the need to get away from primary industry. Fair enough. A laudable objective. But if this Minister is to do much in that area, he's going to have to have a more responsible position in cabinet. He's going to have to have more available to him than is presently the case. Perhaps in the future there will be developments with his department, I don't know what they will be.

I wonder whether the Minister could comment as to the direction in which the department is going, in what areas they are going to develop in pioneering new frontiers and in what areas they are going to leave it up to the federal department or departments and the large number of programmes that are presently available under federal auspices.

MR. G.H. ANDERSON (Kamloops): Mr. Chairman, it's certainly a pleasure to take part in the discussion of this department, as I have had some personal experience with the Minister and the B.C. Development Corp. In my riding.

I listened with interest this afternoon to most of the speech of the Member for Langley (Mr. McClelland). He's not in his seat at the present time.

[[Page 1205](#)]

On two particular points I'd like to compliment him. One was the exhibition of his lack of knowledge of the construction and operation of a modern refinery. I think the other was his guarantee of defeat for Bill Vander Zalm in the next provincial election for the Social Credit Party.

The Member for Dewdney (Mr. Rolston) was making a plea to have the B.C. Development Corp. and the Minister of Economic Development make decisions using a social conscience as well as the direct economic impact of studies made on a particular industry in a particular area. I can assure the Member for Dewdney that this is the case. In the case of my riding — I spoke on it before a couple of times in this House — it was because of the forest

policies of the previous government that a couple of towns in the northern part of my riding were quickly going down the drain with loss of population because of the closure of the mills in their areas, caused by the forest policies of the previous government.

When someone came along with the energy and the know-how to put an industry into one of these towns — into Blue River — because of the social need of that area, the B.C. Development Corp. responded very quickly, inspected the site, interviewed the developer with a long experience in the sawmilling business and came to his assistance with a total of \$500,000 — part from IDB, part from BCDC and part in a guarantee of operating capital, Now there's a small dispute going on among the partners in the mill. When they get that cleared up, the money is there. When I was in Blue River, I made this quite clear to the principal owner and the people of that area that in no way was the Development Corp. backing out of this commitment. They'd made it; the money was there. When they put their house in order, it was a matter of signing the paper and picking it up, The Member for Columbia River (Mr. Chabot) and some of the other speakers, in the opposition continually stress that everything was being done from Victoria with no consultation with the local residents.

Interjection.

MR. G.H. ANDERSON: Well, that's exactly what I'm referring to, Mr. Member for Columbia River, because once again you've displayed a complete lack of knowledge of facts. You've flailed and flailed away about something you know very little about. I can assure you that if you got your facts from your next candidate in that provincial election, I can understand why they were all wrong, because as long as that candidate breathes, Phil Gaglardi will not be dead.

The Member for Columbia River flailed away about valuable agricultural land that we said we were going to preserve and that now we were ready to give up to industrial development. Well, there has been complete consultation with the City of Kamloops. Through my own office, the acting mayor and two of the councilors, with the industrial co-ordinator and the city planner, had meetings here in Kamloops with the various departments about this particular piece of land.

Molson's tried to grow hops there for many years. Yes they did, and there's a sawmill operator in town today who will tell you — he can get the records — how many tons of sawdust and chips he supplied to Molson's to try to break up that compact earth. The Molson records will show you, if you wish to look at them, that there were approximately 11 tons of chemicals, such as sulphur and gypsum, per acre per year — nine to 11 tons per acre per year to fight the alkali in that soil, to try and make it produce.

AN HON. MEMBER: So where did it go? In the river.

MR. G.H. ANDERSON: They also tiled acres and acres of that property with drain tile in the hopes that when the water table rose in the spring, the salts would be flushed away. What happened was, in a very short time....

Interjections.

MR. G.H. ANDERSON: I can understand your reluctance to listen, Mr. Member, because facts are something you don't like and you never have.

After spending all that money on irrigation tile to drain away the salts in that field, in a very few years the salts ate away the tile and the tile collapsed.

Those three miles of land look like they could produce. It looks like it could produce. But the soil survey division of the Department of Agriculture in Kelowna has done a detailed mapping of the area. Their feeling is that a reclamation project would succeed, but the question is one of economic feasibility. If someone were to try and bring that land back to decent agricultural production and get it into agricultural production it's my estimation that it would take three generations to get back the capital investment.

There's another point brought forward by the City of Kamloops in their discussions in Victoria last week and

the week before. Kamloops has absolutely not one acre of industrial land on railways trackage.

Interjection.

MR. G.H. ANDERSON: Good agricultural land. Let's look at the map put out by the soils survey division. These are people who do know what they're talking about — quite a difference from you, Mr. Member. When I look on here with all the

[[Page 1206](#)]

classifications at the test points: there's class 6, class 6T, class 7, class 5, and the federal Department of Agriculture says that for all practical purposes classification of land should be from one to four. So, Mr. Member, you say first-class agricultural land, and the experts in the soils division say class 7, class 8, class 5, class 6. So once again you're wrong. Don't you ever get tired of being wrong?

MR. A.V. FRASER (Cariboo): Is it in the reserve? Tell us that.

MR. G.H. ANDERSON: The regional district, in drawing up the maps, made some errors. One error that was made was in the last submission by the City of Kamloops to have some land included in the reserve because a dairy farmer owned three separate registered parcels. Two were included in the reserve; one was not. It's my understanding that it's now been included.

The land is not good agricultural land. Somehow an error was made in including it. I support very strongly its exclusion from the reserve. It is on the CPR mainline. It has the Okanagan CN line running through it, which gives two railroads on this one property. It is on Highway I - straddles it on both sides. It's my understanding that if it is free, and the Minister picks up the option, most of the waterfront will be returned to the City of Kamloops for recreational purposes. I certainly compliment the Minister for this decision.

So the city council wants it; the people in Kamloops want it. They want to diversify. They want to make up for a complete and total lack of land on rail. They have no industrial land whatsoever.

Here are a few of the reasons given by the city: The agricultural land reserve, as presently proposed, places little limitation on population growth. There were small pockets of land, because of the disorganized way the expansion in Kamloops was taking place, that were surrounded by houses and were not placed in the reserve, so that there is a lot of residential land potential in the area. The growth in the area has been 6 to 7 per cent rather than the provincial 3 per cent, but you cannot realize the potential of residential land without an opportunity for a commensurate industrial base.

"Industry will become more dependent on the movement of goods by rail because of the forecast increasing cost of energy, and rail technology is restricting it in its operating characteristics to flat grades and shallow curves; hence it is generally limited to the valleys, and this land lies in the valley bottom.

"The analysis of the city plan that has taken three years in its development, the Kamplan plan for the development of residential, industrial and commercial sites and

[[Page 1207](#)]

transportation corridors, indicates that the present distribution of employment to support the existing population is extremely vulnerable. There is too high an indicated percentage of employment in resource-extractive industries, forest and mining, and the construction trade. Even on the basis of the present population it may be argued that a diversification of the industrial base into secondary or manufacturing opportunities is advantageous.

"Strong industrial enclaves in the suburbs in the periphery of the city accessible by circle routes and not dependent upon passage through the congested city core would allow latitude for greatly increased populations without the necessity for proportionately increased road construction, since the traffic pattern resulting from this would merely tend to create a lane balance — on existing facilities."

All of these reasons given by the city council, by their industrial planner, by their engineer, have no doubt had an impact, and in discussing the proposed industrial site with the Minister who plans for this area.... I've seen several of them out east of Toronto, as perhaps some of these Members have, with the proper landscaping and trees and lawns. It sounds to me as though the same kind of model, industrial suburb is planned for there.

As a resident of Kamloops, I certainly support it. I think I've given enough facts with soil numbers here. There are small patches of class 3 land, but they are very small indeed. In general, the bulk of the land is unsuitable for agriculture. It has been proven unsuitable for agriculture over the years, and that alone is reason enough for the Member for Columbia River (Mr. Chabot) to say we are trying to get valuable agricultural land out of the reserve. Well, we want a few jobs in Kamloops too.

Thank you, Mr. Chairman.

MR. D.M. PHILLIPS (South Peace River): I'd just like to add a few words to this debate. Just referring to the previous speaker: when he starts talking about a lack of facts, I would suggest that he has a complete absence of facts in some of the statements he has just made. But the Member, as usual, like the rest of this government, is earthbound by philosophical hang-ups, and I can certainly understand the way he thinks.

Mr. Chairman, in this debate thus far on Economic Development we've had a lot of talk about steel mills, copper smelters, oil refineries, all of which the government plans to own in part or parcel, all of which could be provided for in the Province of British Columbia and could be built by private capital without the government entering in as a partner or without the government owning the whole parcel.

HON. MR. LAUK: There's no argument there.

MR. PHILLIPS: There's no argument there, the Minister says. No argument there. Then I would like the Minister to explain to me why the government wants to have control. Why doesn't the government use the money in other areas where it is needed to provide those extra jobs? There will be no more jobs provided by the fact that the government owns part or parcel of these three industries. There will be no more jobs provided whether they are owned by the government or whether they are owned by private capital. There will be no more jobs created, except maybe for some of the bureaucracy which the government will have to hire to supervise.

As a matter of fact, I would go as far as to venture to say, Mr. Chairman, that the industries would probably be much more efficiently run and return a great deal more taxes and benefits to the taxpayers of British Columbia if these industries were built and operated by private enterprise. I wonder why the Minister of Economic Development and the rest of this cabinet are so determined that the government be a partner in these businesses.

With all of the preoccupation with these industries, two of the main industries in this province are deteriorating. Because of the attitude of the government, because of the uncertain climate that has been created, we are not attracting the investment capital we need. As a matter of fact, we are ruining our reputation as a safe place for private investment. Unless the government is prepared to take over all of the industries — and I don't know where they would get the money to do it.

On the one hand, we are trying to scare away investment capital and, on the other hand, the government is trying to provide those jobs by going in and taking over the industries.

I think it's time that the Minister does something to change the economic outlook of the province and to come out with a firm policy as to exactly what his department intends to do and what the government intends to do. After all, he is now the Minister of Economic Development which encompasses very broad terms of reference. As Minister of Economic Development he must be concerned over all of the economy: the economy of the mining industry, the economy of the forest industry, the economy of the petroleum industry, and, indeed, the economy of the manufacturing industry. But the Minister has not made any statements which would alleviate this worry of private investment capital. As a matter of fact, the Minister has made certain promises that he would assist private capital and private investment, but he has not lived up to his promises.

I am amazed in the number of hours of debate that we have had on this particular department, I have listened intently and I haven't heard one firm policy statement from that Minister as yet as to what the true intentions of the government were with regard to growth in all sectors.

HON. MR. LAUK: This is committee of supply.

MR. PHILLIPS: We've heard the Minister talk about development in the northeast, development in the Kootenays, development in the northwest. It has all been talk; there have been no firm plans laid out for two years.

HON. E. HALL (Provincial Secretary): It's out of order, that's why.

MR. PHILLIPS: For two years we have heard nothing but talk from this Minister. No firm announcement of policy.

HON. MR. HALL: It would be out of order in estimates.

MR. PHILLIPS: Out of order in estimates? Well, I guess it is out of order if we ask the Minister what his intentions are.

HON. MR. HALL: You've wasted the budget debate.

[Ms. Sanford in the chair.]

MR. PHILLIPS: I can make my own speech, Mr. Provincial Secretary. If you'd like to make a speech you certainly have the opportunity to do so at a later date. But with your policy, I am sure that you won't be much asset to the Minister of Economic Development so maybe you should leave the House, which he has already done.

HON. MR. LAUK: Don't be rude.

MR. PHILLIPS: I'm not being rude. I'm just stating some facts.

I would like the Minister to indicate to us what the intentions of his department are. Are we to have growth in the province or are we to have no growth? Just what does the Minister feel towards economic development? Does he want to see it increased or does he want the population to remain stagnant? Does he want to create more jobs in the province or does he want the number of people employed in our industries to remain as it is? I think once we find out how the Minister feels about growth then we can get on intelligently discussing where we are going. But, on the other hand, the Minister says, "Yes, we want growth," and on the other, "No, we don't want growth."

I'd like the Minister to advise me. Is it the policy of his department to encourage growth in the primary industries in this province? By primary industries I

[[Page 1208](#)]

am talking about the forest industry, I am talking about the mining industry, and I am talking about the petroleum industry. Do you want growth, Mr. Minister? Do you want to expand in those three areas? I think this is a very key issue.

If you do want growth, Mr. Minister, do you want that growth to be growth by ownership in the public segment or growth by ownership in the private segment?

Madam Chairman, I think the Minister should advise us if he wants growth in the mature industries. By the mature industries I am referring to the iron and steel industry, pulp and paper industry, the lumber industry and the petroleum industry. Are you and are the policies of your department working towards growth in these areas?

Are you interested in growth in the industries of the future? If so, what are you doing to create growth? We've heard no statement of policy from you. When I say industries of the future I am talking about the plastics industry,

the computer industry, the aircraft industry, petrochemical industry, medicine and health, and energy. These are the industries of the future. What policy have you got to develop growth in these industries, or do you want them?

HON. MR. LAUK: How about used cars?

MR. PHILLIPS: Don't be frivolous with me, Mr. Minister. I'd like to know what your policy is because I have not been able to determine it.

HON. MR. LAUK: I'll get somebody to read you my speeches.

MR. PHILLIPS: There are going to be strong demands for such items in the future as recreation items and new methods of home building. Do you want to encourage these industries in British Columbia? Do you want to see growth in them? Madam Chairman, if we're going to keep pace with technological development elsewhere in the world, we must encourage indigenous research and development in some fields, and import technology in others.

HON. MR. LAUK: What's "indigent" research?

MR. PHILLIPS: I'll explain it to you after I'm finished.

HON. MR. LAUK: How about derelict research?

MR. PHILLIPS: No. Well, there, the Minister is making light again. But the point is that we're not putting any emphasis on research. We're not putting any emphasis on inviting technology from other fields and other areas in these future growth industries. The

Minister, as I say, just continues to talk in generalized terms but doesn't really outline his policy. I'm concerned, Madam Chairman, about the policy. I would like to know if the Minister differs, for instance, with the Premier on growth policies? It wasn't too long ago that the Premier of this province — as a matter of fact, it would be two years ago now — made a statement in an article in *The Globe and Mail* report on business:

"Premier David Barrett has expressed himself as a believer in zero growth, an objective he believes can be achieved only by bringing the slim secondary manufacturing sector of the province into balance with the resource sector. He intends to accomplish this by charging the resource industries more taxes and using this revenue to encourage secondary development."
Premier David Barrett.

Interjection.

MR. PHILLIPS: "Premier David Barrett has expressed himself as a believer in zero growth."

HON. MR. LAUK: Well, the Premier didn't say that.

MR. PHILLIPS: Well, now, maybe the Premier did say that, Madam Chairman, but maybe the Minister of Economic Development doesn't want to believe it.

HON. MR. LAUK: Send it over.

MR. PHILLIPS: I'll get you a copy of it. It's quoted from an article written by John Slinger to *The Globe and Mail*, January 22, 1973.

This is why it is so important that the Minister of Economic Development tell this Legislature this afternoon....

HON. MR. LAUK: Are you going to send it over?

MR. PHILLIPS: It doesn't matter whether I send it over or not. What I want to know from you, Mr. Minister, is whether you agree with this. Or do you have another policy? Outline to the Legislature your policy.

Since the debate on your estimates has started, you have not delineated to this Legislature your policies. You're talking about a survey being done for a steel mill; you're talking about an oil refinery; you're talking about a copper smelter. Maybe all or none of these will ever come into being. But what I'm saying, Madam Chairman, is that while you're talking about these airy-fairy industries, which they are at the present time — and I hope that they become reality because we must provide jobs for an ever-increasing labour force. But in these broad,

[[Page 1209](#)]

general terms others in your cabinet by their policies are ruining and driving out the primary resource industries, just as the Premier has said. I'll quote again:

"...by bringing the slim secondary manufacturing sector of the province into balance with the resource sector. He intends to accomplish this by charging the resource industries more taxes and using the revenue to encourage secondary development."

Now certainly that is right on, because you have tried to tax the resource industries of lumber and mining and petroleum a great deal more taxes to the point where you have ruined the mining industry. You have brought it to a standstill, while thousands of jobs in the province go wanting. This part of the Premier's statement you have accomplished; you have accomplished it very effectively. You can say that your lumber industry is progressing. But the Minister knows as well as I do that development in the lumber industry is practically at a standstill.

HON. MR. LAUK: The *Hansard* people are asleep, Don. Could you speed it up?

MR. PHILLIPS: Madam Chairman, the Minister can make light of what I'm saying all he wants to. He doesn't bother me one bit. I want from him some facts. I want him to tell us exactly what his department is all about and what the policies of his department are. We haven't heard it thus far.

The Minister will try and say that the lumber industry is in a healthy state, and he'll talk about Can-Cel and he'll pick two or three items in the province which are success items and he'll tell what a great job his government has done. But I think it is time that you, Mr. Minister, woke up to the true facts of what is happening, particularly in the lumber industry.

We'll take that one first. In the Province of British Columbia, we have over one-half the known softwood in Canada. Will you, Mr. Minister, tell me how much money is planned in the growth of the pulp and paper industry in the next three years? You're ashamed to do-it because you know as well as I do that we have a commitment of only \$168 million, while in the provinces of Ontario and Quebec in the same period of time, there is a commitment of \$1.35 billion to be expended in the pulp and paper industry — eight times as much.

Before this period of time of this great day of reckoning, before the socialists came to power, we had the greatest lumber industry of any jurisdiction in the world. Not only was it the greatest in terms of processing more of our products at home, but it was also the most heavily taxed industry of any jurisdiction and produced more revenue to the Province of British Columbia. This industry is now virtually standing still in terms of future development.

Mr. Minister, you are the Minister of Economic Development. I want you to stand in this Legislature this afternoon and tell me what is the policy of your government in inviting and encouraging expansion in the lumber industry. It is not good enough just to talk about steel mills, copper smelters and oil refineries when our primary industry, which is the lumber industry, has virtually no plans for expansion in the next three years. It is not good enough for the Minister of Economic Development to talk about growth and expansion when he knows full well that his Minister of Mines and Petroleum Resources (Hon. Mr. Nimsick) has brought the mining industry in this province to a complete standstill. It is not good enough to have mines that could be developed in this province, creating jobs.

I'll quote some figures here for the Minister in case he has forgotten. There are currently in this province some 15 important mineral deposits that could be placed into production if conditions were favourable. It is the responsibility of that Minister of Economic Development to see that conditions are favourable for those mines to go ahead, or at least tell the mining industry, tell the taxpayers of British Columbia, what his policy is. Is it a policy of growth or is it a policy of no-growth?

Madam Chairman, we were just presented with what was supposed to be a job-security budget. It is all very well and good for the Minister of Economic Development to do what he did on the floor of the House the other day and make light of the fact that our unemployment in British Columbia has decreased by 0.1 per cent. You, as Minister of Economic Development, have to look further than one month ahead. You have to, as Minister of Economic Development, take a broad outlook and a look into the future. You have to make the decision where the policies of your government are such that they are going to have a strong economy in British Columbia — not just next year or the next year, but five, 10, and 20 years down the road. It was those firm policies and the planning that brought British Columbia to know the standard of living that we know today.

If your policy is no-growth, Mr. Minister, I think you should have the intestinal fortitude to stand in this Legislature and tell the taxpayers of British Columbia exactly where we are going. Tell us where we are going. Tell us if you are at odds with the other Ministers in your cabinet. Tell us if you are at odds with their policies. If you are, be man enough to tell us. We'll respect you more for it.

If you disagree with the policy of the Minister of Mines (Hon. Mr. Nimsick), if you disagree with the policy of the B.C. Petroleum Corp., and if you disagree with the Minister of Lands, Forests and

[[Page 1210](#)]

Water Resources, stand up and be counted. Say so. Stand up and tell us what you would like to see, because if that Minister doesn't outline the policies of his government, which change from day to day and don't give any real security to the small businesses that depend on these primary industries....

If we are going to be a province and if we are going to invite secondary industry into this province, as this Minister of Economic Development has said we are going to do, I would like him to explain to me why the number of people employed in planning, research and development has decreased for the year 1975 at a time when, if he is going to encourage growth in the industries of the future, we should be spending millions of dollars more in research, planning and development.

HON. MR. LAUK: Repeat that, please. What did you say?

MR. PHILLIPS: I said, for the Minister's benefit....

HON. MR. LAUK: I didn't hear your point; you only made one. Could you try it again?

MR. PHILLIPS: Madam Chairman, the Minister making light of this conversation is perfectly all right with me, It just gives me more indication of how irresponsible that Minister is, a Minister of the Crown that is in charge of a Ministry of the Crown which is responsible for providing jobs for the future citizens of this province.

HON. MR. LAUK: You said you were my friend.

MR. PHILLIPS: And you make light of this.

What I said was that in a time.... If we are going to curtail the expansion in our primary industries and our resource industries, then you should be putting more time and effort into planning and research to bring in and invite in the industries of the future. If you really want to change British Columbia from a resource-industry-oriented province and bring in secondary manufacturing — it'll have to be in manufacturing for the industries of the future....

MR. CHABOT: Hewers of wood.

MR. PHILLIPS:... you should be increasing the number of people employed in the department which is responsible for research, growth and development.

Again this year the Minister has not increased his grant to the B.C. Research Council. We are going to, evidently, rely on the rest of the world, on the United States and on eastern Canada, to do our research for us, when we are a province which has unique industries which we should be doing specific research on. We should be doing

more research on the use of our wood products. We should be doing more research into the development of more processing industries of our agricultural products. We should be doing more research into the fishing industry and methods of processing.

At a time when the Minister himself has made the statement that we are not doing enough research — we are not trying hard enough — his departmental estimates show no growth and no future-looking — no look into the future. There's no vision in this department whatsoever, no vision at all. He's a Minister that I had high hopes for, but he's a Minister who has evidently had the thumb put on him by the Premier who delineates the policy...

MR. CHABOT: A puppet on the end of a string.

MR. PHILLIPS: ...by the Minister of Lands, Forests and Water Resources (Hon. R.A. Williams) who delineates the policy, and by the Deputy Minister of Mines who delineates the policy in that particular department.

I want to say that I feel sorry for the Minister of Economic Development, because I don't think he has control of his own department. I don't think he states the policy in that cabinet. I think, honestly, Madam Chairman, that the Minister would like to see growth and development. I think that he would like to see the province expand and provide more jobs. I think that he would like to see a growth policy. But every time the Minister goes to do something, somebody ties his hands behind his back.

I'm sure that the DREE agreements with Ottawa — the regional DREE agreements with Ottawa — would have been signed months ago if that Minister of Economic Development had had his way. But every time he gets close to signing an agreement, he has to go to the Minister of Lands, Forests and Water Resources and get it okayed. Every time he goes to that Minister, the Minister says: "Wait, it doesn't fit in with our no-growth policy. It doesn't fit in with us taking over the industry." Or in some other department — the Minister of Mines says: "No, it doesn't fit in with us taking over the mining industry." I feel sorry for the Minister of Economic Development.

HON. MR. LAUK: I feel sorry for you.

MR. PHILLIPS: Well, the feeling is mutual, Mr. Minister.

AN HON. MEMBER: Order!

MR. PHILLIPS: Madam Chairman, what I am asking that Minister to do before we carry on estimating his department is to have the intestinal

[[Page 1211](#)]

fortitude to stand in this Legislature and tell us where his department is going and what its plans are. Is it for secondary manufacturing? Is it for growth in the resource industries? Is it for research into the industries of the future? Is it a growth policy or a no-growth policy?

AN HON. MEMBER: Chaotic!

MR. PHILLIPS: It's practically impossible, Madam Chairman, for us to intelligently debate the estimates of this Minister.

Interjections.

MR. PHILLIPS: I'll just finish up. It's impossible for us to intelligently debate the future of this province, and the growth and economic development unless the Minister tells us what his policies are.

HON. MR. COCKE: It's impossible for you to intelligently debate anything.

HON. MR. LAUK: The Member for South Peace River is a remarkable example....

MR. CHABOT: He's a little joke.

HON. MR. LAUK: I mention the Member for South Peace River, and the Member for Columbia River, his colleague, calls him a little joke. I can't understand that. I don't think he's a little joke. I think he's a big joke.

MR. McCLELLAND: You're the little joke.

HON. MR. LAUK: Madam Chairperson, the Member for South Peace River can cram a five-minutes speech into a half an hour any day of the week.

AN HON, MEMBER: Forty minutes.

HON. MR. LAUK: Forty minutes? Did he go the full 40 this time? What did he say? He says: "Make a statement of policy. Why aren't you spending more money?" His leader, (Mr. Bennett) in the budget speech, said that we're spending too much money in the budget. The Member for South Peace River says: "Spend more money."

It took him 40 minutes to make that speech. Can you imagine? No wonder he was such a successful used-car salesman! That's terrific. You should never have left that occupation, Mr. Member; you were a tremendous success. I think that we could struggle through the democratic process here without him.

MR. PHILLIPS: Tell me your policies.

HON. MR. LAUK: "Tell me your policies!" He wants to know what my intentions are. The Member for North Vancouver–Capilano (Mr. Gibson) said that my intentions are honourable. I wish to thank him for that.

He says: "Are you for expansion or are you against expansion?"

AN HON. MEMBER: Well, are you?

HON. MR. LAUK: I could quote the Liberal leader (Mr. D.A. Anderson) who the other day dealt with this kind of circular argument. Are you for Mussolini or aren't you for Mussolini? If you're for the trains running on time, you're for Mussolini, If you're not for Mussolini, you're not for the trains running on time. That's the kind of logic you've presented to this House day after day after day. Surely everybody else is tired of it. When are you going to get tired of it and give us a speech? The other day, Madam Chairperson, the Hon. Member...

Interjections.

HON. MR. LAUK: The other day the Hon. Member did make some intelligent remarks. I was pleased to see that; I think he's taking some coaching someplace outside of his caucus. He came in here and he gave us a very clear argument about why a steel complex should go in the Peace River. Very clear, thoughtful. But the last 40 minutes, Mr. Member, were very sad indeed.

Anyway, I'm not going to go through all the programmes that I've gone through already and that have been announced in the public press and so on. They are available to you.

The Hon. Liberal leader, in his remarks, questioned whether or not we're working closely with the federal department, and certainly we are. The service that's provided by the department, especially to the Vancouver office, is very closely linked with IT&C the federal branch. There's no overlapping; there's close cooperation. The Crown corporation, the BCDC, is a catalyst for the Industrial Development Bank. Through that process, we've encouraged that Industrial Development Bank, in partnership with the BCDC, to lend more money in B.C. than ever before, along with GATT, TATE and other federal grants that the BCDC and this branch of government has encouraged, money that was left on the table under the previous administration. It was ignored because you weren't interested in secondary industry in those days.

We have a programme, you say, about diversification of markets. At least, I was trying to glean some sense of what you're saying and, on occasion, it seemed to me that you got a subject and

a predicate within striking distance and I was able to understand what you were saying.

The market stabilization programme and the diversification programme of COMDP (cooperative Overseas Market Development Programme) of the Council of Forest Industries. We've had European breakthrough with B.C. standards — you didn't know about that. The Japanese have B.C. standards now in their building code, and they are building according to building standards that are common to all of us in British Columbia. That means we can sell lumber there. You didn't know that, eh? New markets and diversification.

We have the housing mission programme. It's been in the news. They've signed contracts. We've sent prefabricated housing to Japan last year. This year we will be sending the Cariboo lumbermen to Japan. The Member for Cariboo (Mr. Fraser) should be able to tell you about that. It's public knowledge.

Interjection.

HON. MR. LAUK: I'm not going on any trips. I don't take these trade missions. These trade missions are led by the businessmen and the officials of my department, and you know it!

MR. CHABOT: Thank God!

HON. MR. LAUK: They are not Ralph Loffmark and Cec Bennett and Waldo Skillings trips, and you know it. When the Ministers of this government take trips they come back with results, not empty talk.

MR. CHABOT: What did you bring back from Japan?

HON. MR. LAUK: Someone was asking me whether we look further than one month ahead. I wonder if the Social Credit administration looked further than one month ahead when they signed the Columbia River treaty.

MR. CHABOT: You'd better believe it!

HON. MR. LAUK: An \$800 million loss, Madam Chairman, and they had no plan.

MR. CHABOT: You want to start that, eh? You want to start it? Go ahead!

HON. MR. LAUK: It seems I already have. An \$800 million loss, Madam Chairperson, just down the drain because of the financial bungling of that so-called financial wizard.

MR. FRASER: NDP balderdash!

HON. MR. LAUK: Isn't it interesting how I have hit a sore point every time? They are rushing to the defence of old Cec Bennett. The old gang is back.

MR. McCLELLAND: No one likes Ministers to lie in the House.

HON. MR. LAUK: I would ask the Hon. Member to withdraw that remark.

MADAM CHAIRMAN: Would the Hon. Member please withdraw that remark?

MR. McCLELLAND: What remark, Madam Chairman?

MADAM CHAIRMAN: The remark that he was lying to the House.

MR. McCLELLAND: I didn't say he was lying to the House. I said that nobody likes Ministers to lie to the House.

MADAM CHAIRMAN: Would you kindly withdraw that remark?

MR. McCLELLAND: Well, do you like Ministers to lie to the House, Madam Chairman?

MADAM CHAIRMAN: Mr. Member....

MR. McCLELLAND: I'll withdraw.

MADAM CHAIRMAN: Thank you. Would the Hon. Minister continued, please?

HON. MR. LAUK: Madam Chairman, they want planning for secondary industries. You know, really I don't see how they have the guts — or, as the Member put it, the intestinal fortitude — to stand in this House and ask for planning for secondary industry when for so many years the giveaway boys just took our resources and gave them away. They were a sell-out government. They had no plans for secondary industry.

For the first time they are going to see results. Our trade missions abroad have proven that we can, at little cost...we don't need all kinds of expanded budgets. Someone mentioned that I should have....

Interjection.

HON. MR. LAUK: You're calling for us to spend more money, and I'm saying that I will not spend the taxpayers' money unless it will have some results. I'm not doing that. Your arguments are so superficial. You just look at the total amount of a budget and you say: "Well, this person is spending \$50 million.

[[Page 1213](#)]

He's doing more than someone spending \$10 million." What utter, absolute, infantile nonsense! (Nothing personal.)

We have tap incoming buyers' programme, we have trade shows, we have marketing aids — all kinds of programmes which were non-existent in the previous administration.

With respect to the comments made by the Hon. Member for Kamloops (Mr. G.H. Anderson) on Kaymar, the reports that I have clearly indicate that at the oil tests the quality of the soil at Kaymar make it totally unsuitable for agriculture. In addition to that I should say that if it were to be rendered or brought into use for agriculture, the reports that I have are that it would take hundreds of tons of gypsum and other chemicals to get the salt out of the land as Molson did.

I'm told, in addition, that this would pollute the Thompson River, so that it would be a most undesirable....

Interjection.

HON. MR. LAUK: With the other chemicals? Oh, yes.

Interjection.

HON. MR. LAUK: You have no idea what you are talking about. You should see this report. They would pollute the Thompson River, making this land totally undesirable as a use for agriculture.

Interjection.

HON. MR. LAUK: Do you know what the salt content of this soil is? Do you have any idea?

AN HON. MEMBER: No.

HON. MR. LAUK: Well, that's what I'm talking about!

Interjection.

HON. MR. LAUK: Well, I just have a note here on "gypsum and other chemicals." I could check the other

chemicals if you like.

[Mr. Rolston in the chair.]

Mr. Chairman, it is clear that the use of this soil for agricultural purposes is undesirable and will have negative effects on the environment. It is for that reason that the matter was referred, on appeal, to the Environment and Land Use Committee and that a decision was made today by cabinet to exempt the land from the agricultural land reserve.

Now it must be realized that the priorities of a government must be to take the various uses in their context and not just across the board say that if it has a minimal use for agriculture that it should be preserved for all time. The Hon. Members know that that is nonsense and that it cannot be the philosophy of this government. If it wasn't for the kind attention and the research and the assistance done by the MLA for Kamloops (Mr. G.H. Anderson), this matter might not have reached the attention of government in time. I pay tribute to him for standing up and defending the interests of his municipality and his constituents and taking this position that he has to bring those needed jobs to Kamloops that were lost as a result of the years of neglect of the former Minister of Highways (Mr. Gaglardi) in that jurisdiction.

AN HON. MEMBER: Hear, hear!

MR. G.S. WALLACE (Oak Bay): I found the debate very interesting in many respects this afternoon because we've covered many of the areas that related to the conference in Ottawa yesterday which I was privileged to attend. I think one thing should be put on the record right away and that is that nowhere, publicly, at that conference was any price ever mentioned about natural gas in the future. The only commitment made by the federal government, through the person of Donald Macdonald in the afternoon session, was that he promised to the Premier of this province that the export price of natural gas would go up in the next few months. The Premier's proposal to the conference suggested a phased raising of the price in May and August, and finally by November it was hoped that it would be the \$2 per thousand cubic feet which appears to be the price Americans are paying from their own sources.

So while there are a few points I'd like to touch upon about the refinery, Mr. Chairman, and a few other aspects of economic development, I think that since the economy literally turns on such vital ingredients as oil and natural gas, the importance of yesterday's discussions cannot possibly be exaggerated in terms of their impact on every single citizen in Canada from coast to coast. I think the people in this chamber, and many of the people of this province, would be very interested in the kind of comment made by the Premier of Ontario (Hon. Mr. Davis) about economic development. I am sure our Minister would be fascinated. I would like to quote word for word what the Premier of Ontario said yesterday. He said:

"I fully understand the desire of the producing provinces for higher prices and increased revenues. I fully support the broadening of their economic base. I have consistently supported their regional

[[Page 1214](#)]

decentralization of industrial activity, and I do so now, but such decentralization must progress within the framework of the clear national interest. It cannot be constructed at intolerable cost to the majority of our citizens."

So when we talk about economic development, Mr. Chairman, it seems to me that it all depends on whose ox is being gored. That statement by the Premier of Ontario drew a certain audience response because the premiers of the western provinces have consistently stated their concern — and I think their very legitimate concern — about many of the obstacles which are placed in the way of western economic development because of these policies of central Canada and particularly of Ontario. The Premier of Ontario almost had me weeping when he painted the picture of the oil policy which was determined some years ago when imported oil was cheaper than western oil and when Ontario, with great reluctance, went along with the policy which was geographically determined on the Ottawa valley and agreed to go on buying western oil although they could have bought cheaper oil from Venezuela.

Now the economic situation in Canada is such that Ontario finds that since its economy depends, as a manufacturing province, to a large degree on oil and other natural resources, it sees no justice in trying to insure that a producing province, such as Alberta, should received a realistic value for its natural resources.

I think the Liberal leader touched upon this point when discussing the refinery, and he asked the question: if there is to be a refinery — and it certainly appears that there will be one, from the Premier's statement — where will the crude oil supply come from for that refinery?

I'd like to just quote again from the conference yesterday, a statement by Premier Lougheed. He stated very clearly:

"Canada is among the very industrialized nations in the western world with the potential for self-sufficiency in oil and natural gas. Canada's proved reserves of oil permitted it to export more oil than it imported in 1973 and '74."

and here's the crunch:

"The situation is now reversed and in 1975 Canada will import more oil than it exports."

He went on to say later on in the conference, on the same theme, while we were all sitting around that table debating a dollar here or a dollar there on a barrel of oil, he said:

"The stark reality is that unless there are increased incentives to find oil and natural gas, Canadians will not be debating price in the 1980s because we will be paying the price demanded by foreign nations."

The point that's being made this afternoon by many of the opposition speakers relates very closely to what went on yesterday. The Premier of Ontario, in justifying his position, circulated throughout the conference a computer analysis of the Ontario economy, which, in his view and in the view of the economists, indicated how economic growth was slowed down by the higher oil and gas prices in 1974 and 1975. This computer analysis claims that the growth rate of the gross provincial product was reduced by 1 per cent and the growth in new employment was cut by up to 22,000 people in 1974.

So, when we debate the price that should be paid within Canadian boundaries for oil or gas, we had better all be very clear in our own minds what the pros and cons of putting up the price will be.

These figures that were put forward by Premier Davis appeared to have been calculated in a completely professional and technical manner using computers and a whole variety of figures. Whether he's using the big blue machine or not, I can say this: he presented a very strong argument to point out that while we must indeed value depleting resources, let no one have an illusions about the economic impact of putting up the price of oil and natural gas.

As I say, I think he overstretched the point perhaps in his argument by recalling a little bit of history and by having what I thought was a great deal of gall to say that he consistently supports decentralization of industry. Just how far that decentralization should extend was not mentioned.

When I think of the number of times I have sat in this House and listened to the government of the day, both this government and the previous government, talking about the enormous problems of freight rates — where the same commodity being moved from east to west is cheaper than moving it from west to east — and therefore if we do get into manufacturing to any degree on this side of the country, what can we expect if we have the additional obstacle right there of having higher transportation costs than those of central Canada.

Interjections.

MR. WALLACE: Well, you may be right, Mr. Minister, that the people in Ontario think that western Canada ends at the Ontario border. Nevertheless, I think it would be unfortunate if the kind of comments that were made at that conference.... The lack of agreement yesterday had better be understood by every Canadian because there was a lot of — I can't just find the right word — "pap" might be an appropriate word, where everybody sat around and

talked about the importance of working out solutions and how it was a confederation whose strength depended on the collective efforts of the Premiers and the Prime Minister.

[[Page 1215](#)]

I got the impression that very little was actually achieved yesterday. One other impression I got loud and clear was that the problems facing Canada from the point of economic development, inflation, recession, and unemployment, are enormous. I was disappointed that our Premier, while he made a successful pitch to obtain an increased export price for natural gas, did less than justice to the wider issue that I'm trying to touch upon today — the wider issue on every citizen in the light of this very difficult decision about how our own natural gas and oil should be priced within Canada.

It was predictable, I suppose, but the eastern provinces, with the very notable and expected exception of Newfoundland, which thinks that they are going to find oil pretty soon — therefore, their representative did a masterly job, as did Premier Bourassa, in my view, of sitting on the fence. The producing provinces made a reasonable pitch that because the economy of the country depends on these natural resources, Surely the producing provinces are entitled to a fair market value for their product.

I left that meeting yesterday somewhat disappointed, not only that no solution had been reached other than the favourable solution to British Columbia. I think the Premier made an excellent presentation on that and I think the facts as he presented them and the figures that he quoted and the response by the federal government accepted the validity of their argument. Though we don't know what the price will be and when it will go to that price, it seemed to me that part of the meeting was indeed well-presented and well-received.

There was a solution, but that's part of the total problem compared to the enormous problems relating to oil production in Canada. But the problem of oil production in Canada is something that left me feeling very....

HON. MR. LAUK: Where is McGeer? What did you do with McGeer when you were there?

MR. WALLACE: I'll finish what I was saying. It leaves me somewhat pessimistic about the economic future of our country, including our own province.

Now, to answer the question: what did I do with Pat McGeer? I didn't do anything to Pat McGeer.

HON. MR. LAUK: Did you see him there?

MR. WALLACE: He was at the conference.

HON. MR. LAUK: He was there.

MR. WALLACE: Billy and Peter were there.

AN HON. MEMBER: With difficulty.

MR. WALLACE: With difficulty, yes.

AN HON. MEMBER: Is it true that Billy spent the whole of the first day trying to get Peter into the Senate? (Laughter.)

MR. WALLACE: I have to say that I think that the fact that opposition Members were able to take part in that conference should have a constructive effect in this House by what I hope we can bring to the debate, The Minister of Economic Development said earlier on this afternoon he couldn't understand the adversary system that pertains in this House and that perhaps opposition members should try to be more objective and balanced in their approach. Well, I've got news for the Minister. Every time I try to take that approach, I get more trouble from my own party members than I get from anybody else in the whole country.

AN HON. MEMBER: You mean your backbenchers?

MR. WALLACE: The people who support political parties seem to think that when you're in the opposition, you oppose, by God, or else! So I think it is worth putting on record the fact that this approach which the Minister feels would perhaps be more mature and more intellectual unfortunately doesn't seem to work in the real world of politics.

I do think, however, that we can try to work out an understanding that it isn't just a question of economic growth for growth's sake, but on the other hand, when your population is increasing by 3 per cent per year, I think it is ridiculous for anyone to suggest that we can adopt the so-called "no-growth" policy.

MR. PHILLIPS: What is his policy?

MR. WALLACE: That's a good policy. The Member says, "What is his policy?" I would like to just touch on that in a few minutes.

I would just like to end the comments I wanted to make relating to the energy conference yesterday. One of the other very interesting points was raised by Premier Lougheed in the afternoon session when all the general discussion had taken place and things came a little more specific. He made the point that oil rigs and highly specialized personnel are leaving Alberta in steady numbers because of lack of incentive to continue exploration. He was trying to make the point that yesterday even if they had been collectively able to decide on a new price for a barrel of Canadian oil, they really wouldn't solve the major problem of the lead time that is involved in finding and proving new sources.

When we talk about incentive, we are not just

[[Page 1216](#)]

peddling what is very basic, I admit, to Conservative thinking, but is also very basic to the future of the whole country in terms of reversing this situation again whereby we are now this year importing more oil than we export.

Some of these issues leave one feeling very pessimistic about the economic future of Canada, and that includes the economic future of British Columbia. The impact that was predicted in terms of unemployment and continuing recession should the price go up by \$2 or \$3 a barrel, particularly in a province such as Ontario, was quite dramatic in the figures I've already alluded to, but which I won't go through reading all of them.

I have to conclude that the same is bound to happen to some degree in British Columbia. If we have a nine-cent increase in a gallon of gas and three cents on a gallon of fuel to heat homes and other purposes, then surely we have to take a very serious look at what our policy should be. I say again that the Premier of this province, in my view, did not really tackle the issue of what should be done about the price of Canadian oil. His main purpose at the meeting, and the main purpose he achieved, I suppose, was to talk about natural gas. He got a promise of a price increase by an unestablished date.

Interjection.

MR. WALLACE: One of the Members interjected that he had that commitment before. I can't speak as to whether he really did for sure, or what the amount was...

AN HON. MEMBER: Ask him about his crystal ball.

MR. WALLACE: ... but he certainly hedged on making a financial commitment to the municipalities. He's dangled a very variable figure over the last several months, starting up at \$60 million and finishing down at \$20 million, that he will pay to the municipalities out of the extra revenue from the natural gas. I haven't had time to read the newspapers in great detail today, but I think one interesting point that also came out of the conference is that there seems to be a consensus that the price of natural gas within British Columbia should be phased upwards over a

period of three to four years, approximating the export price. There again there may be commitments made privately between this government and the federal government of which we're all unaware.

To talk just for a few moments about the specific policy here in British Columbia, I think the questions asked this afternoon are often heard by the man in the street as to what the overall thrust is of the Minister's policies in this province. One gets the impression of a rather haphazard, piecemeal approach to development. We hear about a steel mill somewhere maybe; we hear about an oil refinery maybe.

I might just remark in passing that the Premier's sudden announcement about the oil refinery at the conference was really interesting because he hadn't mentioned anything about oil. He hadn't talked about a refinery and, all of a sudden, he just made the announcement that there was going to be an oil refinery. I found this very interesting until I read later on that part of the revenue from the natural gas is destined to go into the financing of the oil refinery. There seemed to me rather a less than obvious direct connection between the two. But, at any rate, that was thrown into the discussion yesterday afternoon rather abruptly, when all the talk had been about natural gas.

HON. MR. LEA: Did we win?

MR. WALLACE: B.C. won, yes. I think, personally, that they won what they were entitled to win. The respect in which B.C. lost was that we contributed very little, in my view, to the much larger, more difficult issue of the economic impact of putting up the price of crude oil within our own boundaries. I'm not suggesting I have all the answers or that British Columbia politicians should have all the answers, but....

HON. MR. LEA: How many Liberal seats in Alberta?

MR. WALLACE: Well, there are no Liberal seats in Alberta, I can tell you that.

Interjection.

HON. MR. LAUK: You're not Liberals; you're British Columbians.

Interjection.

MR. WALLACE: Anyway, just to answer your question more specifically, the Premier of Alberta did actually do a bit of calculating, because he has heard the Premier of Ontario weeping in his beer — not in his beer; he was weeping crocodile tears. He said that he thought it wouldn't be a bad idea at least to put on record what Alberta oil had provided for the rest of Canada in the last year. He pointed out that between April 1, 1974, and April, 1975, Alberta sold 485 million barrels of oil at the artificially low price of \$6.50. In this way, through federal export tax revenues and the reduced price for oil used in eastern Canada, they contributed benefits to other Canadians in excess of \$2.5 billion in one year, which isn't a bad

[[Page 1217](#)]

contribution by one province to the total benefit of all people in Canada.

So when you ask the question "Did we win?" — we won on natural gas. I don't know how much we won, but at least we won recognition of the fact that we should not be selling our natural resources outside our boundaries at a price below that which the recipient is paying for other sources.

In our own province maybe this Minister could try to give us a little more detail on the question of what our overall thrust is in economic development. When I used to sit here and listen to the NDP in opposition, there was tremendous emphasis on secondary industry and the whole concept of adding value to our basic resources before they are either exported or sold. I know, as the Minister has quoted that there are cases where we have tried to encourage secondary industry. But I wonder to what degree it is contingent upon the freight-rate problem, for example, and some of these other problems which I've already touched upon in relation to central Canada.

I would like to know if a statement which was made by the chairman of the petroleum commission a week or

two ago.... I couldn't find the precise clipping, but he made the statement that the petrochemical complex had been abandoned, at least for several years because of an inability to produce the natural gas required. We can't even provide the amount we're committed to provide to customers south of the border. I'd like to ask the Minister directly whether or not, in fact, plans for the petrochemical complex have been abandoned because of the uncertain supply of natural gas.

HON. MR. LAUK: What plans?

MR. WALLACE: For the petrochemical complex.

HON. MR. LAUK: Where's that?

MR. WALLACE: In Surrey, or wherever it was to be. I'm not talking just specifically about an oil refinery; I'm talking about the much bigger concept of a petrochemical complex, such as the Albertans are trying to develop in Alberta and which I believe was part of this government's plan until the natural gas supply became a problem.

With regard to the refinery, I don't want to repeat many of the points that were made earlier, but I do think that another fact which this party talked a great deal about in opposition was consultation and public participation. They quite rightly criticized the former administration for being high-handed and autocratic. I think one of the reasons it was elected was that it promised so much more of an open and consultative kind of government.

Recently I visited the Surrey area and spoke to aldermen and various other people. Whether the Minister realizes it or not, the people in the Surrey area feel that they're being really led by the nose and being reassured that, of course, they will be consulted and, of course, the government is considerate of the ecology problems, and so on and so forth. But in practice they're not the least bit convinced. They feel very strongly that decisions are going to be taken to a point which will probably be irreversible. Then they'll be asked in to more or less try and go along with the decisions already taken.

I'm sure each Member of the House has been receiving the kind of correspondence from the Surrey area that I have received. I think that the Member for Langley (Mr. McClelland) outlined some of the facts and figures which relate to the degree of pollution that could result and the damage to fish and a whole lot of other problems, not the least of which is the fact that, here again, we have the provincial government overriding the legitimate function and aspirations of municipal governments.

In other words, we have the obvious implication that if Surrey is the chosen site in the long run, the particular land use now designated will likely be overridden by provincial government decisions, despite the fact that Langley and the Greater Vancouver Regional District had already prepared a plan for livability, so-called.

I just want to ask the Minister if he has no concern that here we have a municipality and a regional district spending time, money and effort planning what they think is right for their area when, at a higher level of government, some very contradictory and conflicting type of industrial plan is moving along, and they're not being given the opportunity to speak directly to the people most concerned.

MR. H. STEVES (Richmond): Mr. Chairman, I'd like to address myself to some of the comments made by the previous speaker and also by the Hon. Member for South Peace River (Mr. Phillips) with regard to growth.

The Member for South Peace River quoted something the Premier is ostensibly supposed to have said in support of zero growth. I doubt very much if the Premier would ever have used the term "zero growth," but I think the Premier might have used the terms, as that Member explained, in the article about bringing the secondary sector into balance with the resource sector. I think, in an analysis of growth, that's certainly the type of growth in the province that I would like to see. I've never mentioned secondary industry and developing secondary industry in the province.

I think that when we are discussing growth we have to recognize that there are different kinds of growth. If we are talking about growth in the primary sector, which is what some of the Hon. Members seem to be suggesting, I

think that that kind of

[[Page 1218](#)]

growth requires a certain amount of serious study as to whether it is desirable to continue the type of rip-off growth where we take the non-renewable resources out of the ground or off the mountainsides or what-have-you and ship them overseas and ship them to foreign countries for processing. That kind of growth I am a bit concerned about. The kind of growth I would like to see is growth where we are using those resources and hammering them into ploughshares here in B.C. or what-have-you.

So the kind of growth I like to call that is a sort of a steady state-type of growth where you take the resources and you provide jobs at the secondary level rather than at the primary resource level. Now naturally you do need primary resource extraction, but you should not put your entire emphasis on primary resources for extraction.

Interjection.

MR. STEVES: Well, I intend to ask that, and this is the reason that I have got up to my feet at this time. The previous speaker, the Member for Oak Bay (Mr. Wallace), talked about the overall thrust of economic development in the province and suggested that perhaps secondary industry in the province might be contingent on things like freight rates and other aspects that are controlled from central Canada and from the east. I think he is quite correct in this, and I would like to give a couple of examples of industry pertaining to my own riding — not so much with freight rates but through such things as DREE and different other federal government programmes. I've been a bit concerned about them. I'll give two examples.

In 1969, before we were the government, in the fishing industry, through the DREE programme, the federal government helped the Weston empire build a \$10 million fish-processing cannery in the eastern part of Canada for the processing of fresh fish and so on, which resulted in the closing down of the fresh fish sections of the canneries in my own riding in Richmond in the Steveston area and throughout the rest of the province. They kept on canning fish but they closed down the fresh fish operation to a large extent, and we ended with a situation where fresh fish markets across Canada were being provided from the east coast. This was through decentralization, you might call it, by the federal government — decentralization back to the east coast from the west coast — a sort of decentralization I don't really favour.

The second instance I would like to bring to your attention is with aircraft. The Member for South Peace River (Mr. Phillips) talked about industries of the future and specifically mentioned the aircraft industry.

Three years ago I was involved in this deal with DREE, trying to get them to maintain the fish canneries in my riding — unsuccessfully — and three years ago I was involved with the federal government with the aircraft industry. We had a situation where an aircraft company in my riding in Richmond, Dominion Aircraft, had developed a new type of aircraft, a short-takeoff-and — landing aircraft. They needed a guaranteed loan and they wanted about \$3 million. They went to the federal government, they went to the previous provincial government, and actually they were involved in it just when we were elected. But by that time it was too late; we didn't have an Economic Development department that could give out grants and loans at that time. Anyway, they went to the federal government, and what happened there was rather incredible. The federal government, and I am not sure what connections the members of the federal government have with DeHavilland and Canadair and A.V. Roe but...

Interjection.

MR. STEVES: I know that connection. But those were basically British aircraft companies at that time — DeHavilland and Canadair. Actually the federal government should have owned them at that time because they had given them hundreds of millions of dollars in grants; the same with A.V. Roe, which has U.S. connections. At that time, when Dominion Aircraft came up with a proposal to build this aircraft in Richmond, using the old CP Air hangars at Sea Island which were vacant because the airport had built a new terminal, it would have provided 300 or 400 jobs. It would have provided income to the community and so on.

But instead of supporting decentralization of the aircraft industry in Canada to start a new aircraft industry in B.C., the federal government went to DeHavilland and said: "Look, can you guys build a Stoll aircraft?" What happened was that instead of giving a loan, a guaranteed loan, of \$3 million to Dominion Aircraft, they gave a \$10 million grant to DeHavilland. For that reason we didn't get an aircraft industry in Richmond — or B.C., for that matter.

What happens here is that the aircraft industry cannot succeed, you cannot build aircraft, without money from government, or without other sources of income. Most of the companies that build airplanes do so with tremendous grants. Boeing in the States gets American money. DeHavilland, A.V. Roe, Canadair, of course, have federal money. Dominion Aircraft, which I mentioned, ended up going down to the States to try and go ahead with their proposals. They had orders for 400 to 500 planes. But they couldn't get the money to build them in Richmond.

We now have a situation where another company in my riding has designed an aircraft. I have seen the aircraft myself and I know a number of people who

[[Page 1219](#)]

have worked on it. They have excellent workmen working on the electronics and various designs of the planes and very keen people who have designed this plane, the Trigull 320 — developed by Trident Aircraft in Richmond.

MR. GIBSON: Have you flown in it, Harold?

MR. STEVES: I haven't flown in it but I've seen it up in the air. I was watching from the ground. They've been carrying out a number of tests on the prototype. They have one for strenuous testing, and apparently it has proved out very, very well under these tests. I've got a picture of it here; I don't know whether you can see it or not. It's sort of a cutdown version of the SeaBee, modernized. The wing flaps actually bend down for stabilizers when they land in the water. It's a very good aircraft.

Through the B.C. Development Corp. and the Industrial Development Bank last year, we did get them a grant of \$125,000 each. However, they're now at the stage of having proven out their aircraft and in a position to go into production. They have a number of orders around the world for the aircraft. It has pretty well proven itself out through the tests. I'm hoping that the B.C. government and the federal government might be able to help finance this aircraft to bring an aircraft industry to British Columbia.

The Member for South Peace River (Mr. Phillips) talked about industries for the future. I think this certainly is an industry of the future. If we're going to talk about decentralization, I think we have to talk about the type of decentralization that not only decentralizes here within the province but also across Canada.

I'd like some comments from the Minister on this, We have the old CP aircraft hangars available in my riding and all kinds of space for it. We have the technology; we have a lot of good people. On the Dominion aircraft and this one, we've had engineers from Boeing and local people as well working on these different aircraft. We've got an ample work force. It can provide jobs to bring money to the province. I think it would start a new industry to show what the Member for Oak Bay (Mr. Wallace) called the overall thrust of our economic development.

So I hope to hear from the Minister just what we might be getting — I know we've been given a grant already — but in the future to assure that we do get an aircraft industry on the B.C. coast and that we also get some support from our government and from the federal government along these lines to help develop this industry here in British Columbia.

HON. MR. LAUK: With respect to the remarks made by the Member for Richmond, all these things are a question of negotiation. With respect to Trigull we have been in discussion with the federal government. The Minister of Industry, Trade and Commerce, Alastair Gillespie, was here a month or so ago and announced \$1 million or so for Trigull. He knows as well as I do, Mr. Chairman, that it's going to be \$4 or \$5 million to get that kind of an aircraft into production. I find it surprising that he says now that the province should put up the rest. At least he leaves that implication. I find it very surprising. When you spend \$180 million or \$170 million buying the aerospace

industry up in Quebec and in Ontario, and you come out here and you drop \$1 million to build an aircraft like this....

Interjection.

HON. MR. LAUK: Yes, he said \$1 million from the federal government.

Interjection.

HON. MR. LAUK: No, but he left that by implication, He knows how much it's going to cost; he knows that if he doesn't offer more, they can't produce the airplane.

However, Mr. Member, I can inform you that we have negotiated very closely with the various branches....

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

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

We have negotiated very closely with the Department of Industry, Trade and Commerce federally. If the Hon. Member for West Vancouver–Howe Sound (Mr. L.A. Williams) will stop cracking jokes with the Clerk of the House I will be able to finish this statement.

Interjection.

HON. MR. LAUK: I think that we've come very close to a financial arrangement....

Interjection.

HON. MR. LAUK: I'm sorry, I'm really sorry.

Interjection.

HON. MR. LAUK: We've established a very close arrangement whereby the Trigull aircraft, we think, will be manufactured in this jurisdiction. I am glad you've raised the issue. I don't know when the announcement will be made, but the BCDC will participate in a percentage and will be able to contribute more than it already has. I hope to see the

[[Page 1220](#)]

other institutions also more heavily involved, but we're very close to having this go forward. That's good news, indeed, for the people of your riding and for all British Columbians It's a modest start in an aerospace industry, very modest. Certainly it's nowhere near the \$180 million or whatever that fantastic figure was of federal money which went into the very Liberal provinces of Ontario and Quebec. We're not getting anywhere near our share of the federal contribution, but I suppose when they are coming up with money we should be grateful for that.

MR. G.F. GIBSON (North Vancouver–Capilano): I just want to come back at this stage, Mr. Chairman, to a line of discussion that was being entered onto by the Hon. Member for South Peace River (Mr. Phillips) earlier in the afternoon. The Hon. Minister had some fun with the Member for South Peace River. He sliced him up a little bit in his remarks, and that's fair enough. The Member for South Peace River can look after himself. He had some fun with the former government. But he didn't answer very proper questions that were asked.

HON. MR. LAUK: What were they?

MR. GIBSON: I'll just repeat them very succinctly now.

HON. MR. LAUK: Go ahead.

MR. GIBSON: The first question is: what jobs has this Minister created? Given the fact that he is running a Ministry that is supposed to be responsible for economic development in British Columbia, what has he got to say about the fact that there are 100,000 people unemployed in British Columbia right now? That's question No. 1, a very simple question.

HON. MR. LAUK: Those were two questions. How many jobs have I created and....

MR. GIBSON: All right. That's question 1(a) and question (b).

HON. MR. LAUK: How many jobs have I created?

MR. GIBSON: Question 1. That's right.

HON. MR. LAUK: Thousands upon thousands.

MR. GIBSON: Just stand up and name names when it's your turn, Mr. Minister.

HON. MR. LAUK: What do I think about high unemployment? It's terrible.

MR. CHAIRMAN: Address the chair, please.

MR. GIBSON: The next question is: what is the ongoing investment in the mining industry in this province compared to the average investment for the last, let's say, four or five years? It's a very simple question.

HON. MR. LAUK: I'll take the question as notice.

MR. GIBSON: Mr. Chairman, I can't believe my ears. The Minister said he'd take that question as notice. I want him to stand up and say that in this House so that he can hear the reaction he gets from the Hon. Members when he says that.

He knows what the answer is. Investment plans for this year and for next year and for the year after that in the mining industry are in a straight nosedive. They don't compare by 50 per cent or 25 per cent of what they were three or four years ago.

HON. L. NICOLSON (Minister of Housing): What are they in Ontario?

MR. GIBSON: That's what the Minister of Economic Development has done to this province.

What's the planned investment in the forest industry in this province? Mining is only our second industry; forestry is our No. 1 industry. Figures were quoted here earlier on this afternoon: three-year investment plans — \$168 million in the Province of British Columbia in the forest industry as compared to over \$1.3 billion in Ontario and Quebec, when we have half the softwood in this country. Question No. 3. Would the Minister explain that?

Would the Minister explain how it could possibly be that our No. 1 industry, which is in a cyclical downturn now but which will be in a cyclical upturn, hopefully, by the end of this coming year — so that doesn't account for it — doesn't have the confidence to go ahead and create jobs in this province as it has traditionally done?

Now, Mr. Chairman, I'm going to come back on other subjects later on. So as not to confuse the Minister with a lot of topics, I just want to leave those questions with him right now.

HON. MR. LAUK: Mr. Chairman, I appreciate the kindness of the Hon. Member for not wanting to confuse me. May I answer some of the questions raised by the leader of the Conservative Party (Mr. Wallace) first?

I think I can deal with the tariff problem more realistically than the freight-rate problem. To be quite candid with the hon. leader of the Conservative Party, the freight-rate situation quite often is to our benefit out here in British Columbia, especially in the lower mainland.

Interjection.

HON. MR. LAUK: Oh, yes.

MR. CHAIRMAN: Please address the chair.

HON. MR. LAUK: All right.

MR. CHAIRMAN: Continue.

HON. MR. LAUK: Well, we all know that the Member for West Vancouver-Howe Sound (Mr. L.A. Williams) has plenty of hair, and it is just beautiful. I'd like to know his hairdresser so I could send my wife there.

But you know, Mr. Chairman, the freight-rate situation is overall generally unfair to the west. It can be unfair to the Peace River district. It depends on the commodities shipped, and so on.

What I am trying to indicate, Mr. Chairman, to the Hon. Conservative leader is that it is more complex than just that.

The tariff situation is more clear-cut. The Member for North Vancouver-Capilano (Mr. Gibson) yesterday put it fairly clearly, for a Harvard graduate, and I think that you should read the *Blues* and read his remarks. I think they were quite accurate. He didn't go into any detail; I think there was no need to. We have a direct transfer payment by paying extra tariffs on imports in this jurisdiction of approximately \$300 to \$350 million. Those are on goods that the central Canadian government believes can be manufactured in Ontario and Quebec.

MR. GIBSON: That's just a direct cost.

HON. MR. LAUK: That's just a direct cost, as the Member said. There is the spin-off cost, the indirect costs that are so clear to us. The indirect costs also include the problem with secondary industry in B.C., and I'll point out how they do that.

Raw materials have low tariffs. This encourages the export of resources. We're not arguing or taking a position that tariffs should be any higher right now, but that's part of the scheme. But if you take tariffs together with the manufacturing goods, which have high tariffs, they discourage the exporting of manufactured goods.

What happens in all of that? It discourages us from going into manufacturing and keeps us into exporting resource materials. We are, as has often been said in this chamber over many, many years, the hewers of wood and the drawers of water. That situation is perpetuated by the tariff structure.

What have we done about it? Well, for the last year we've argued with Ottawa officials, with the Minister of Finance (Hon. Mr. Turner) and with the Minister of Industry Trade and Commerce (Hon. Mr. Gillespie)

Just to sit down with them and negotiate a western or a B.C. position. It took us a year to get that concession. It took us a little bit longer — including that whole year — to argue about going to Geneva, and having a representative talk to their committee. It took them that length of time to concede that we weren't just another interested party, like some cable company or some manufacturer in the west or the east or wherever, that we had a responsibility to the public and the people of British Columbia, and that we had a position that was in the interests of what we think is the total public good in B.C. It took us that length of time.

We're making some progress. But don't look for miracles overnight because it took us, as I say, almost a year to get some voice on their committee and to get some negotiating thrust in the federal consideration of tariffs.

We hope to send someone to Geneva. We want a thrust, and our thrust is this: the foreign tariffs should be lowered so B.C. can penetrate foreign markets. This is important to us, and I'm talking about the field of secondary

manufactured goods. This will encourage our manufacturers to expand, to have export markets and to have our tariffs lowered so we can buy goods and manufactured good cheaper to lower our cost of living so there won't be a transfer payment.

I'll just explain briefly how that works. You weren't here yesterday. Then I'll sit down, Mr. Chairman. There's a recreation boat manufacturing company in the Surrey or Delta area. I was informed informally that they're going to close because their parts have to be imported from the United States and the tariff charges are 15 or 18 per cent. This puts them out of the market. The tariff on the importation of boats is not high enough to protect them, if you follow what I'm saying. So they're going to move down to, I think, Renton, Washington, to manufacture their boats and sell them back to us. That's as a direct cause of the tariff situation. That's not an isolated case; it happens all the time.

Interjections.

MR. CHAIRMAN: Let's address the Chair now. Both sides of the House.

HON. MR. LAUK: Well, Mr. Chairman, the Hon. Member indicates that I'm arguing for both ways. No, I'm not; I'm arguing for one thing and that is a general lowering of tariffs on these goods. Let us compete! We don't need to be dictated to from central Canada; we know how to establish secondary manufacturing units.

There are people who are walking into the BCDC every day with great ideas and we have to prop them up with money. Why? Because of the tariff situation;

[[Page 1222](#)]

because they have to buy their parts from the east, when we could have our own parts manufactured here or buy them cheaper across the line so we can set up our own companies here. That's the way it works.

Interjection.

HON. MR. LAUK: Not true. It's not proven to be the case. Mr. Chairman, that's part of the answer that I have for the leader of the Conservative Party.

With respect to the comments made by the Member for North Vancouver–Capilano the capital investment in various provinces is generally lower. In some commodities, because of corporate planning and decision-making that went on for some years before 1975, the expansion of the pulp and paper industry in central Canada has taken place. This was predicted four or five years ago. It's a corporate plan. Don't act as if it was something that we have done or a direct result of the recession or whatever. It's just happened that way; it's a corporate plan. For many, many years, of course, we were ahead of all jurisdictions because of the corporate plans that were being made in B.C. to expand our pulp and paper industry.

MR. GIBSON: You have to influence the corporate plan.

HON. MR. LAUK: These are the kinds of fluctuations in capital investment that occur. I think that's fairly obvious, and you should take a broader look at it and not try to blame it in a simplistic way on one thing or another thing, the way some of the Members of another opposition party do quite often. I'm sure you don't want to do that.

MR. GIBSON: But you admit it's way down?

HON. MR. LAUK: I'll admit that in some areas it's down. In some areas it's increased, But in this year, where we have a downturn in the lumber market in B.C., where there's a general world downturn in the economy and a slow recovery in mid-term and in the later part of this year, the kind of capital investment that was planned is being cut back in all jurisdictions. You can see that everywhere.

This does not mean that this province is an unhealthy climate for investment. If there is any investor who is scared by the doom-and-gloom boys and by the nonsense, the Chicken-little parade that they lead around this province, then they're missing the boat, because they should be investing in this province now. If they don't, we

know that others will, and they will make a fine return on their investment.

The Minister of Lands, Forests and Water Resources (Hon. R.A. Williams) has bent over backwards in a very difficult period in the forest industry to make sure that people can make a profit with their enterprises. If that isn't an expression of confidence in the industry which should be returned by the investor, I don't know what is. I think you will find that they will respond, Mr. Member.

MR. H.D. DENT (Skeena): Mr. Chairman, anyone who says I arrange things so I get a chance to speak is wrong. I've been trying now for almost two days to speak. It isn't easy when you have to line up behind first, the Minister, then the official opposition, then the Liberals, and then the Conservatives. Finally, the lowly backbench Member of the government party gets an opportunity to speak.

MR. GARDOM: Point of order.

MR. CHAIRMAN: What is your point of order?

MR. GARDOM: Is it appropriate to move adjournment? (Laughter.)

MR. CHAIRMAN: No, we won't accept that. That's not a point of order. Continue.

MR. DENT: Now, about the tunnel.... (Laughter.)

AN HON. MEMBER: Where's it going to end — on Hartley Bay.

MR. DENT: No, it's not going to end on Hartley Bay. It's going to end on "Dent" island...

SOME HON. MEMBERS: Oh, oh!

MR. DENT: ...or "little Dent island," perhaps. (Laughter.)

There have been some comments made from the opposition side about the lumber market. Being in a constituency where we are adversely affected by the present recession on the lumber market, I have some worthwhile comments to make, I think, that would clarify things for the opposition Members.

An item appeared in the paper last year that is still applicable today according to most recent information. Since they've picked the Hon. Minister of Economic Development to be the troubleshooter for the world economy, I thought that he might take this under his consideration. It appeared in the *Vancouver Province* last fall. It is from Associated Press, Ketchikan, Alaska. It says:

"Huge stockpiles of timber are building up at mills throughout Southern Alaska where industry officials had predicted a complete shutdown by 1976 due to short supplies. One

[[Page 1223](#)]

industry spokesman blamed the backlog of timber on soaring interest rates on housing loans which have cut back on housing construction in the United States and Japan. In Wrangell, which is in the Alaska Panhandle, two lumber mills operated by the Alaska Pulp Co. have reduced their workforce until the end of the month, and two eight-hour shifts four days a week. The mill normally operates for five days....

And so on. I could go on.

This situation is continuing in the Alaska Panhandle. They are in a very serious situation because they, too, depend to a considerable extent on the lumber market for the health of their economy. Since the Minister is apparently responsible for the situation in British Columbia, perhaps he is also responsible for the situation in Alaska. If he is, then I would suggest that he go to Alaska immediately and at least try to rectify the economic situation there.

People are trying to, if you'll pardon the expression, tie the can onto this government for the world recession in minerals. I have before me a report indicating a number of mines that have shut down in the United States. One in particular is an Anaconda mine in Butte — I think that would be Montana, probably — closed in March. Quite a number of people were put out of work. I could go down the list. There are a number of other mines in the States that have closed down, all basically for the same reason. That is because of the recession in the mineral industry.

Apparently the present Minister of Economic Development has been held responsible for the world recession and I would ask him what he is going to do about these mines that have closed down in the United States. Has he got some plans to see that these mines are reopened, to provide more incentives down there? Is there some reason...?

Interjection.

MR. DENT: Now, let's return to my constituency. There is a mill that closed down in Terrace. This mill, Skeena Forest Products, was bought by Price Bros. of Quebec. Price Bros. was then swallowed up by a larger fish, namely Abitibi, one of the biggest pulp and paper empires in the world. Unfortunately, after they bought the Price Bros. empire, they closed down Skeena Forest Products in Terrace.

Right across the road in Terrace, there is another mill known as Pohle Lumber. Pohle Lumber is owned by Canadian Cellulose. The word that I received this week is that Pohle Lumber is going to add a third shift on their planer because of the orders that they have been getting, or at least they have been able to get some orders. The manager of Pohle Lumber told me that they had one of the best months last month in shipping lumber. He said they are doing much better than the southern operations are in B.C. Why is it that Pohle Lumber, a Canadian Cellulose mill, can add a third shift to their planer when Abitibi, the biggest empire in the world, closes down the other mill completely and totally right across the road?

I think the Canadian Cellulose has demonstrated that they can find markets for their lumber, maybe some of these other mills could find them if they really looked, too. The free enterprise buccaneers — I mean people who really go out and look for the business: why can't they find markets as well?

A couple of other points. Today is a fairly important day in my riding for two reasons. One is that they have just, I think, completed the steelwork on the Kitwanga Bridge across the Skeena River. At the same time, another crew is in the process of completing the last pier in the middle of the Skeena River for the new Skeena Bridge. Within a week or so the steelwork will be completed on this bridge, as it has already been done on the Kitwanga Bridge, and we will have two bridges that will be completed by the end of this year across the Skeena River.

For 40 years, or 30 years — I think it was 40 years — this bridge was promised by the previous government. Now the bridges - this bridge plus another one — are very close to completion.

Also, they asked what is being done about the northwest agreements and so on. I had the privilege of attending the sod-turning ceremony, or a bulldozer-turning ceremony or whatever you want to call it, for the second phase of the new port development at Prince Rupert, representing the B.C. government. They didn't put my picture in the paper in the Prince Rupert *News*....

MR. GARDOM: Oh, shocking!

MR. DENT: They put the local MP — I think she's Liberal — and the Liberal cabinet Minister who came out, but they didn't put my picture in for some reason.

Interjections.

MR. DENT: However, this port development is proceeding into phase 2 activity. That is one of the parts of the northwest programme that was announced and has been done. So you can see that anything the provincial government has had any part in is being carried through responsibly. The only thing that's being delayed at the moment is the construction of the rail line. But that's not being built by the B.C. government; that's being built by the Canadian National Railway. It's pretty well under their control at this time.

But anything the B.C. government is doing, including a 10-mile section of construction on the

[[Page 1224](#)]

Meziadin-Cranberry Junction road connecting the Stewart-Cassiar highway to Highway 16 and another construction project between Terrace and Prince Rupert — highway construction, five miles of putting another 100 feet into the Skeena River to make the highway wider — these projects are all proceeding.

The feasibility study is proceeding on the steel mill. Contrary to reports from the Liberal benches, the people in Kitimat feel that they are being consulted and that the Minister is acting very responsibly in this matter. Furthermore, my own surveys indicate that over 50 per cent of the people of Kitimat already are quite favourably disposed to this project should Kitimat be selected for this site.

MR. WALLACE: I think you're biased, do you know that?

MR. DENT: I'm very happy, actually, with our government's.... What I'm not happy with is what the federal government is not doing, or failing to do. I'm also not happy with what Abitibi and some of the big multinational corporations are not doing. But as far as our government's concerned, I'm very happy.

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.M. PHILLIPS (South Peace River): I'd just like to ask the House Leader what portfolio will follow Economic Development this evening. What will follow? Agriculture or...?

HON. E.E. DAILLY (Minister of Education): Depending on when we finish, the next one will be Agriculture.

Presenting reports.

Hon Mr. Hall presented the sixth report of the Royal Commission on Family and Children's Law, the report on matrimonial property.

Mr. Gabelmann of the Select Standing Committee on Labour and Justice presented the committee's first report, which was taken as read and received. (See appendix.)

MR. C.S. GABELMANN (North Vancouver–Seymour): Mr. Speaker, I move that the rules be suspended and the report adopted.

MR. SPEAKER: You have heard the motion. Are you ready for the question? All those in favour say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Contrary, if any, "no."

MR. D.E. SMITH (North Peace River): No.

Interjections.

MR. SPEAKER: Just a minute now. Order, please, I take it that you are denying leave for a motion to be put. Is that correct?

MR. SMITH: That's correct.

MR. SPEAKER: I think, then, I'd better consult with the Clerk on this.

I think we're in agreement that the motion would require notice in view of the refusal to give leave.

Hon. Mrs. Dailly moves adjournment of the House.

Motion approved.

The House adjourned at 5:59 p.m.

[[Page 1225](#)]

APPENDIX

REPORT

LEGISLATIVE COMMITTEE ROOM, April 10, 1975

MR. SPEAKER:

Your Select Standing Committee on Labour and Justice begs leave to report as follows:

The Select Standing Committee on Labour and Justice was instructed by the Legislature to consider the status of farm and domestic workers with respect to their inclusion under labour standards legislation. For this purpose, the Committee toured the Province between October 9, 1974, and October 31, 1974, in order to solicit submissions from interested parties on the issue. The meetings were designed to be of an informal nature in order to encourage submissions from persons who might normally be reluctant to appear before such a committee. The response to these hearings was considerable in several of the centres visited with representations being made by most of the directly concerned parties, as well as by numerous individuals and organizations not directly affected. The agricultural industry was well represented at most hearings, as were trade unions and political organizations. Submissions from farm workers were received at approximately half of the sittings, and briefs regarding domestic help were submitted at about one third of the meetings.

The Labour and Justice Committee hearings revealed a wide range of labour standards legislation from whose provisions farmworkers and domestics were excluded. A number of pertinent questions regarding this body of legislation were raised at the hearings. These can be classified roughly under two headings:

- (1) philosophical issues; and
- (2) administrative fears and problems.

The philosophical arguments can be summarily dealt with since administrative problems seem to constitute the main impediment to a comprehensive inclusion of these workers under labour standards legislation. Briefly, the argument for legislative inclusion of farm and domestic employees considers the problem as one of the community's social and moral responsibility. Its inherent logic is one of equity for all citizens, as one submission clearly points out:

"...all this legislation has been enacted through the years because governments have felt it necessary to establish certain minimum limits beyond which men and women in British Columbia should not be expected to work. Now, if these governments have set these standards for the vast majority of British Columbians and if these minimum standards are fair and just, what possible justification can there be for excluding a small group of employees from these benefits?" (Submission of B.C. Federation of Labour, October 9, 1974, page 1.)

In other words, if the present standards of legislation are considered consistent with the objectives of a just labour policy, then their application should be universal.

The main arguments against legislative action are based on more purely economic considerations. These can be formulated in a number of ways:

(i) *Higher wages would force many producers out of business and merely produce more unemployment.*

The purely theoretic position underlying the statement cannot be sustained even by a careful consideration of the assumptions underlying that position. It should also be noted recent Department of Labour study on the impact of a minimum wage revision showed little, if any, employment repercussions from raising the minimum wage.

[[Page 1226](#)]

APPENDIX

On a more practical level, many producers complained bitterly about labour shortages, although it seems very likely that these are largely the result of the poor wage and working conditions prevalent in the industry. It would also seem likely that the recently introduced Income Assurance Plan would mitigate the effect of increased costs to affected farmers during poor years. Much evidence was heard about the cost/price squeeze to which most small operators are subject. It is true that these producers have little market power and, as a result, bear most of the burden of cost increases.

(ii) *The workers are being paid what they are worth.*

Several submissions pointed out that this position was tantamount to exploitation of the affected workers by the rest of society. The overriding philosophy of the argument is that relatively cheap food prices for the consuming public at large are socially more important than the welfare of those producing it. In addition, it also implies that there may be some justification for obliging a class of workers in our society to subsidize producers who may be inefficient or whose operations may not be otherwise economically viable. Thus, those people engaged in food production must continue to be content with poor wages and working conditions.

The Committee considers this position unacceptable. Exploitation of a pool of low-skilled workers should not be required at a time when numerous modern technologies and management methods are available to accomplish the tasks of production and distribution. The large disparities between prices paid by the consumer and those received by the producer are a major cause of concern as they severely affect the ability of the farmer to provide socially acceptable wages and working conditions.

(iii) *Piece rates are a necessary part of agricultural production.*

This consideration does not preclude the setting of guaranteed hourly minimums. The Labour Standards Branch of the Department of Labour has pointed out that similar situations already exist in other British Columbia industries. Industry reasons for desiring maintenance of piece rates seem to depend heavily on their use of a secondary labour force, especially the aged and the very young whose individual production capabilities may be considerably below average. Piece rates therefore enable the farmer to maintain a constant labour cost of each unit produced, an important factor considering the wide fluctuations inherent in their revenues. This Committee sees no objection to the maintenance of piece rates as an incentive system above and beyond the minimum standards which should be guaranteed to all workers.

These arguments revolve around the idea of added costs that may in fact be illusory, as benefits associated with the relevant legislation are not generally considered in the employer's calculations. These include such intangibles as increased employee satisfaction, higher productivity, and increased labour force stability. A number of other arguments have been classified as "administrative issues" and will be considered with the individual pieces of legislation.

As numerous, very different pieces of legislation were considered by this Committee at its hearings, the public reaction to each will be summarized individually.

1. *Annual and General Holidays Act*

This is viewed as an "unnecessary" added cost by most farmers. They seem opposed to holiday pay of any kind for seasonal employees, whether their employees work one day or for the whole season. Furthermore, holidays often clash with harvest schedules and necessary chores, and would therefore necessitate the paying of overtime rates. Current practice among ranchers seems to be to give an annual holiday during the winter months. Regular, "full-time" orchard workers are unemployed during the winter and generally receive UIC benefits as "holiday pay".

[[Page 1227](#)]

APPENDIX

2. *Control of Employment of Children Act*

Children are used extensively to harvest the berry and tree-fruit crops. The consensus of farmers seems to be that this practice is necessary because of a shortage of other types of labour. The relevant question here is whether generally higher wages would attract more workers — most farmers feel not. Actual abuse of child labour does not seem to be an important issue in British Columbia, although questions relating to the use of agricultural chemicals were not pursued at the hearings. A definition of "domestics" requires a decision as to whether to include temporary babysitters or not. Inclusion of this category of worker under its auspices would then make this Act very wide-ranging in its application.

3. *Hours of Work Act*

In its present form, this would seem to be a very contentious piece of legislation among farmers. Complaints were similar to those against paid holidays — that harvest and necessary chores must be undertaken without delay. Overtime pay for this work would drastically increase costs, according to most operators. Regular employees are often subject to an "hours-averaging" arrangement, with extra time off being allowed in winter months in lieu of overtime pay. Similar problems occur with "live-in" housekeepers, where indeterminate hours of work could lead to administrative problems in relating rates of pay and hours actually worked.

4. *Labour Code of British Columbia*

While most farmers do not favour trade unions, there are no valid reasons why agricultural or domestic workers should not be covered by the Code. Opposition voiced to this Act was largely on the basis of "personal" employee/employer relationships traditionally prevalent in agriculture, and a "gut feeling" that unions would destroy these relationships.

5. *Minimum Wage Act*

This was perhaps the second most controversial piece of legislation discussed at the hearings. As mentioned above, many witnesses considered low wage rates, especially low piece rates, tantamount to worker exploitation. The B.C. Federation of Agriculture has made a strong appeal for the maintenance of piece rates. This appeal is based on farmers extensive use of a secondary labour force, and their feeling that harvest wages should be tied to individual worker ability and effort. On a holding of any size this tends to remove the onus of supervision from the farmer and allows him to contribute necessary labour himself. Guarantee provisions of this Act were also seen as a burden to the farmer, who could be at the mercy of poor weather conditions. It should also be noted that, in most sectors, wage rates for full-time workers seem well above the presently established minimum. In addition, apparently low rates of pay are often bolstered by payments-in-kind, but these arrangements are often vague and would seem to easily lend themselves to dispute. Some witnesses also found difficulty in accepting that babysitting or household work, as distinct from personal care services, should require payment of even current minimum wage rates. It should be noted that administrative problems are common to both the Hours of Work and Minimum Wage Acts and, seem to be a major impediment to their immediate implementation.

[[Page 1228](#)]

APPENDIX

6. *Maternity Protection Act*

The impact of applying this Act would seem to be negligible for both these categories of workers. Full time, female hired hands are almost nonexistent in British Columbia agriculture, and the employment duration of seasonal workers is generally so short that the Act would have little practical effect. Domestic workers, being predominantly female, would seem to be more in need of the benefits of this Act. There was no opposition voiced about the amendment to this Act to include agricultural and domestic workers.

7. *Payment of Wages Act*

There was no opposition to this Act recorded at any of the hearings, and organizations such as the B.C. Federation of Agriculture have voiced their approval of it.

8. *Truck Act*

There was no evidence presented at the hearings regarding this Act and, to a large extent, its power seems to have been subsumed by the Payment of Wages Act. However, the Committee feels that there are no valid grounds for continued exclusion of farm and domestic labourers from the Truck Act, if it is to be retained in some form.

9. *Employment Agencies Act*

It was recommended by witnesses at Lower Mainland hearings that this Act should be modified in order to eliminate abuses by both domestic and farm labour contractors. Evidence was heard relating to shocking "rip-offs" perpetrated by certain unprincipled operators. Not most common of these was the use of patently unsafe forms of transportation for their workers. In addition, deceptive or completely false promises by contractors, especially concerning wages and pay-cheque deductions, were seen to be a major problem. On the other hand, a few growers stated that, due to inadequate supplies of other types of labour, these contractors were in fact a necessary evil. Evidence was also heard that some growers had been let down by contractors, thus creating considerable hardships for the affected farmers.

The view of the Committee, and apparently shared by most witnesses, was that the consequences of unscrupulous contractors operating within certain ethnic communities are potentially socially catastrophic and, for that reason, completely unacceptable. The problems related to vehicular travel could conceivably be countered by a strict application of the Motor Carrier Act. Other unacceptable practices could be countered by amending the Employment Agencies Act to cover the situation. This would provide a situation analogous to that of the United States where farm labour contractors must meet strict requirements in order to be licensed, and must be licensed to carry on business or face severe penalties.

10. *Workers' Compensation Act*

Much evidence was heard regarding the application of the compulsory provisions of this Act. Opposition was generally based on fears of additional paper work, additional costs and "snooping" inspectors. Direct evidence was heard at the Penticton and Merritt meetings that paper work and inspector fears were totally unfounded. This evidence was given by farmers who had already voluntarily availed themselves of WCB coverage. It also seems likely that the cost factor could be decreased if more farmers were to belong to the scheme. In any case, it was pointed out by the Minister of Labour that the somewhat higher (than private insurance) costs of coverage were more than balanced by additional worker benefits,

[[Page 1229](#)]

APPENDIX

especially with respect to wage loss coverage, and the levels of permanent disability benefits and rehabilitative

assistance available. It was pointed out by different witnesses that agriculture has been found to be the third most dangerous British Columbia industry in which to work. The high incidence of accidents in the home was also presented as a valid reason for inclusion of domestic employment under the Act, although some opposition was voiced to the possible presence of WCB safety inspectors on private premises.

11. *Factories Act*

Complaints were voiced, especially at Lower Mainland hearings, that poor working conditions not directly referable to safety (and hence not governed by the *Workers' Compensation Act*) were prevalent in agriculture. Evidence was presented that new immigrants were the ones most often subject to poor field conditions, and that these people urgently require some form of protection. Suggestions were that this Act could be used as a vehicle to set minimum standards for provision of toilets, clean drinking water, and accommodation when supplied by the farmer.

RECOMMENDATIONS

There would seem to be little, if any, difficulty in making the provisions of the *Labour Code of British Columbia*, the *Maternity Protection Act*, the *Payment of Wages Act*, and the *Truck Act* applicable to farm and domestic employment. Few administrative problems are anticipated due to the straightforward nature of these Acts.

Application of the *Employment Agencies Act* is recommended as an immediate and valuable tool in controlling excesses perpetrated by unscrupulous labour contractors. Specific provisions are required in order to fully cover this class of agency.

The *Control of Employment of Children Act* should also be amended to cover domestic and agricultural situations. Problems both administrative and philosophical, concerning babysitters and children working on family farms must be considered. Obviously, it is not the Committee's intention to limit the ability of children to work as babysitters or as casual helpers on family farms. It is, however, our intention to ensure that the Department of Labour has the statutory authority to control unscrupulous practices relating to child labour.

The *Workers' Compensation Act* should have its compulsory coverage extended to cover domestic and agricultural employees. Additional worker benefits available under this Act far outweigh any possible employer cost involved, and are deemed necessary given the right-risk nature of both fields of employment. Family members must be allowed coverage and in fact every encouragement should be made to make it easy for entire farm families to be included.

The *Annual and General Holidays Act* should be amended to include ' farm and domestic workers. Provisions of this legislation need not interfere with the farmers' need to have an uninterrupted supply of labour during the peak months. Holidays can be provided either by time off in the winter or by a cash payment of a percentage of earned income.

The *Hours of Work Act* should also be amended to include farm and domestic workers. Clearly, administrative problems will arise under this legislation. The Department of Labour should conduct thorough research into the effect of this Statute on the farm industry. A great deal of flexibility must be built into the administration of this Statute to ensure that the farmer is not hamstrung in meeting his work needs and that the rights of his workers are not violated.

[[Page 1230](#)]

APPENDIX

The *Minimum Wage Act* should cover farm and domestic workers. Implementation of this Act should follow extensive research which takes into account "in kind" payments as well as the complexities of the piece rate system.

It should be noted that British Columbia, and indeed most Canadian jurisdictions are presently at variance with International Labour Organization Conventions regarding agricultural workers. These include Convention 11: Right of Association (Agriculture); Convention 99: Minimum Wage-fixing Machinery (Agriculture). Coverage of agricultural workers in other jurisdictions is minimal; Newfoundland and Ontario providing the only coverage that is at all extensive. The legislative action proposed in this report should put British Columbia well ahead of other Canadian jurisdictions in providing labour standards coverage for agricultural and domestic workers. In addition, this proposed action should put the Province in compliance with all present International Labour Organization Conventions regarding these categories of workers.

All of which is respectfully submitted.

COLIN GABELMANN, *Chairperson*

103 Mrs. *Jordan* asked the Hon. the Provincial Secretary the following questions:

With respect to the Public Service —

1. How many public servants have been hired to serve the North Okanagan constituency between September 30, 1972, to date?
2. What are their current classifications?
3. What are their current salaries?

The Hon. *Ernest Hall* replied as follows:

"Record of public employees not maintained on a geographic or electoral boundary basis, consequently the answer is unavailable."

106 Mr. *Curtis* asked the Hon. the Provincial Secretary the following questions:

With respect to persons employed by the Provincial Government and appointed by Order in Council, on the latest date for which information is available —

1. How many persons so appointed are citizens of the United States of America?
2. What is the name and present assignment of each United States citizen so appointed?
3. Are any persons currently under contract with the Provincial Government or any of its agencies, Crown corporations, or enterprises, citizens of the United States of America?
4. If the answer to No. 3 is yes, what is the name of each person under contract and what are the particulars of each assignment?

The Hon. Ernest Hall replied as follows:

"To this question and subsequent questions pertaining to No. 106, this information has not been recorded and is unavailable."

[[Page 1231](#)]

APPENDIX

129 Mr. *Wallace* asked the Hon. the Provincial Secretary the following questions:

In the leased premises of the Public Service Commission located at 26 Bastion Square in Victoria —

1. How much rent or other financial consideration has been received from the B.C. Government Employees'

Union Victoria Regional Office for the use of the meeting-room during the past two years?

2. Is there a contractual arrangement between the Union and the Public Service Commission regarding the interchange of information relating to public servants?

The Hon. *Ernest Hall* replied as follows:

1. "Union pays its own rent for offices in the building at 26 Bastion Square and does not have access to the Public Service Commission meeting room except for meetings with the Commission for which no rent is charged.
2. "Under Article 4 of the Master Agreement, the Public Service Commission is to provide a list of names and components of those employees whose salaries are subject to union dues deductions together with the amount so deducted. Article 11.02 of the Master Agreement requires that the employer submit a seniority list of all employees to the union prior to the expiry date of the agreement."

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