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Official Report of
DEBATES OF THE LEGISLATIVE ASSEMBLY
(Hansard)

THURSDAY, JUNE 26, 1975

Night Sitting

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THURSDAY, JUNE 26, 1975

The House met at 8 p.m.

Orders of the day.

HON. E.E. DAILLY (Minister of Education): Mr. Speaker, committee on Bill 142.

MISCELLANEOUS STATUTES
AMENDMENT ACT, 1975

(continued)

The House in committee on Bill 142; Mr. Dent in the chair.

On section 11 — continued.

HON. E. HALL (Provincial Secretary): I ask leave of the House to move an amendment without notice on section 11 of Bill 142. The amendment has been distributed to all Members and, by leave, I will proceed.

MR. CHAIRMAN: Leave is not required, I believe, in committee. Anyone can move an amendment at any time.

HON. MR. HALL: Right. I wanted to make sure that we were doing this right.

AN HON. MEMBER: Hunky-dory!

HON. MR. HALL: I want to thank the Member for Langley (Mr. McClelland) for pointing out to us that by order-in-council on April 1, 1975, we had proclaimed chapter 81 of the 1973 statutes. Therefore the amendment to the bill would read: "Section 3 of the Social Assistance Act is amended by renumbering the section as subsection (1) and adding the following:"....

The following, Members, would then be the essential thrust of what does appear in Bill 142. We are not changing the principle. So those Members who have speeches worked out already don't need to alter one jot of them. I therefore move the amendment.

Amendment approved.

On section 11 as amended.

MR. R.H. McCLELLAND (Langley): Mr. Chairman, I understand the reason for this. It gives the government pretty wide-ranging powers, however, to set rates in private institutions. I wonder whether or not it is really necessary and whether or not, regardless of the court case, the government expects there will be more court action if they didn't proceed any further with this. It seems to me that in most instances now the government does set the rate that it pays in any institutions in which it has people who are under the care of the province, at least. Perhaps the Minister could just explain a little further why this section is necessary. We are always a little leery about the kinds of powers contained in this section to deal with a particular segment of the community.

HON. N. LEVI (Minister of Human Resources): Mr. Chairman, in the Supreme Court of Canada judgment, they upheld the definition that the hospitals could charge any reasonable rate. You may know that there were a number of cases. There is yet to be a settlement in respect to this. This case has gone on now for over four years. We feel that we cannot really, in terms of the Social Assistance Act and the people with whom we deal, have the hospital set the rates because of what they feel are reasonable rates. We are having some trouble now, as a matter of fact, in terms of this. Since we have been here, we have adjusted the rates three times.

What we would like to do is to introduce this, which would give us the kind of control we thought we had under the Social Assistance Act, in terms of the definition, which we did not have. This has been a matter of practice in the province for many years, that the government sets the rates. It wasn't until 1969 that the private hospitals stated that the rate was insufficient; and it was then that they started a series of cases.

What we want to in fact do is to be able to set the rates by law, as was the practice, but was not law. Once we have concluded this, we have to meet, as we have been meeting, to try and finalize the settlement of the cases.

We have had some very good meetings with the committee that has been working on behalf of those municipalities involved. I would hope that we can make a resolution of this problem, certainly by the summer, to settle the cases.

MR. McCLELLAND: Just one further question, Mr. Chairman. Is the Minister convinced that there is no way a negotiating procedure could be set up such as is done with the dentists and the doctors and other groups, with the private hospitals and other facilities such as that, so that a rate could be struck on a regular basis once a year, or renegotiated every six months or something like that?

HON. MR. LEVI: Since May 1, we are being billed at higher rates than we are actually paying. We are having some discussions about this. Of course, people are saying to us: "If we can't get these rates, we are going to go back to court." We could be constantly in the whole situation of going back and back to court.

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As I have said, we have raised the rates three times to try and assist the private hospitals. But we really must have the opportunity to set the rates. If we are going to have to negotiate with a whole series of private hospitals, it will be extremely difficult. Really we would like to return to the kind of arrangement we had previously, except that obviously it would have to be put into law, and this is what we are doing.

Section 11 as amended approved.

Title approved.

HON. MR. HALL: Mr. Chairman, I move the committee rise and report the bill complete with amendments.

The House resumed; Mr. Speaker in the chair.

Bill 42, Miscellaneous Statutes Amendment Act, 1975, reported complete with amendments, read a third time and passed.

HON. MRS. DAILLY: Mr. Speaker, Committee of Supply with debate, with leave.

Leave granted.

ESTIMATES: DEPARTMENT OF TRANSPORT AND COMMUNICATION

(continued)

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

On vote 250: Minister's office, \$131,898.

MR. H.W. SCHROEDER (Chilliwack): Some quick questions just to start the ball rolling. Could the Minister please give us a progress report on the new ferries that are being built? Are they expected to be delivered on time? Is the cost going to be anywhere near what the anticipated cost was? How soon will they be in service?

HON. R.M. STRACHAN (Minister of Transport and Communications): I get monthly pictorial reports indicating that the ferries will be available May or June of next year. As you know, two of the ferries were on a fixed price, except for some part of the shafting, so the cost was very close to the price I gave to you a year ago. I expect them on line by June of next year.

MR. SCHROEDER: Does the Minister have any advice for the House as to on what runs these ferries are going to be put into service? Is it going to be the Swartz Bay–Tsawwassen? Is it going to be the Horseshoe Bay–Departure Bay run, or are there other runs anticipated?

HON. MR. STRACHAN: It will either be on route 1, which is Swartz Bay–Tsawwassen, or route 2 which is Horseshoe Bay–Departure Bay. There are still some discussions going on as to where they will be placed — as a

matter of fact we were discussing it just yesterday. I think the likelihood is that they will be on route 2 which is Nanaimo to Horseshoe Bay.

MR. H.A. CURTIS (Saanich and the Islands): Mr. Chairman, the Minister would be crestfallen, I think, if, during discussion of his estimates and, indeed, during question period on a fairly regular basis, I didn't ask a question regarding the proposed Gabriola ferry terminal. In what I believe to be a fairly mellow mood on the part of the Minister as this session comes to a close, and realizing that the inquiries and the questions and comments to the Minister date back over so long — two and a half years or more — I would hope that the Minister is now at a point where he could be very frank with the committee, and therefore with the people of the province, and tell us precisely where we stand with regard to what has been talked about for so long — that is, a possible change at both ends of route 2, Nanaimo to Vancouver.

We waited patiently for a year, I think — subject to correction, but about a year — for wind-and-wave studies. We were told then that the basic wind-and-wave study information had been referred to the masters who have to sail the ships. That was also some time ago.

If I may say so, Mr. Chairman, I think the Minister owes it to the people of the greater Nanaimo area, the mid-Vancouver Island area and, indeed, to the people of the province as a whole, because of what has happened in Departure Bay with some expensive changes there which, presumably, will be useful for a number of years. I realize that at the other end of the run, in Horseshoe Bay, there is a problem, and I would like to hear about that, too.

I emphasize that perhaps the time — late June in this spring session — would be right for the Minister to tell us all he possible can on this particular subject. Because whatever happens or does not happen in that area will have significant effect on the development of the midsection of Vancouver Island.

HON. MR. STRACHAN: Certainly. First of all, I'm always in a mellow mood, as you all know.

It was two years last February that I made the announcement that it was my hope that we would be able to develop a much-shortened route which would overcome some of the morale problems which a continued 10-hour shift creates on such a run. The Member outlined the different committees that had to examine the proposal. Because of the economic

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and social impact which any ferry terminal would have on Gabriola Island, it's now in the hands of the Environment and Land Use Committee whose duty it is to advise every department of government as to what economic and social impact any of their proposed actions will have in any given area of the province. So that is where it still remains.

This will not prevent us from using the ferries when they are on line to upgrade the whole service on practically every run. So that's all I can tell you. I'm waiting for the report from the Environment and Land Use Committee.

MR. CURTIS: That is the answer that was given a number of weeks ago, I think during question period. Would the Minister indicate, therefore, when he would expect the ELUC to bring down an interim report or a final report on this particular subject? Again, I have to ask about the possibility of the downtown Nanaimo area.

Really, I shouldn't have to be asking these questions. I think that perhaps the MLA for Nanaimo, the Hon. Minister of Agriculture (Hon. Mr. Stupich), is interested in this and must be concerned about it. I receive inquiries from people in the Nanaimo area who want to know, in effect, what is going on.

Is the Minister or his department examining an alternative in the event that the ELUC report is negative or unfavourable with respect to staying in Departure Bay or relocating at Gabriola or that vicinity? What about downtown Nanaimo and the availability of land in that area for a major terminal? I recognize, as I'm sure the Minister will tell us, that this would involve additional sailing time and, therefore, crewing problems and related difficulties. But is there an alternative in the event that ELUC gives you a report which is not favourable?

HON. MR. STRACHAN: I think you're referring to the suggestion which came from Nanaimo — I think it was the regional district — that we go to the assembly wharf in Nanaimo. The word we have on that, as I recollect it... I read a report the other day which said that the B.C. Ferries will not be able to use the assembly wharf area for any ferry terminal. So that's out. So if we can't go to Gabriola Island, it looks as if we're stuck in Departure Bay. We've no other alternative that I can see.

MR. CURTIS: Any timetable on ELUC, Mr. Chairman? That was the first part of the question.

HON. MR. STRACHAN: I am informed that an interim report should be ready in a couple of months.

While I'm on my feet talking about ferries, there have been many statements made about a \$25 million loss in ferries — and it's been repeated and repeated in this House. I want to inform the House that from the very first day of the ferry service, that ferry service has required moneys from the Public Treasury of this province from day one, because the legislation under which the B.C. Ferry Authority operated had within it — and I was in the House when the legislation passed — it requires an annual payment to the ferry authority of 2.5 per cent of the capital requirements of the whole ferry system. If you go through these public accounts, and I have them here, you will find that....

Interjection.

HON. MR. STRACHAN: It's all right, it's all right. I've been listening all session to accusations of losses, losses, losses using public moneys for the B.C. ferry system. I'm informing you that right from day one the ferry service has had public money. I ask you to look at the 1965-66 public accounts. You'll find a sum of \$41 million shown on the liability side of the ledger in the report of the B.C. Ferries. You go to the public accounts of 1967 and you find exactly the same amount shown on the asset side of the ledger, plus another \$10 million. That's \$41 million dollars in one year right out of the general revenue of the taxpayers of the province into the ferry service.

I never objected to that because the ferry service is a service to the people, and that is a cost of the service. That's a cost of service. It's not a loss any more than the money we spend on highways is a loss to the Highways department, any more than the money we spend on hospitals is a loss to the hospital service.

My friend, I say to you that the ferry service of British Columbia is the finest in the world.

Interjections.

HON. MR. STRACHAN: If you want to stand up here and condemn the crews of the ferry service, you go right ahead. But I tell you that courtesy and cleanliness are the watchwords of that ferry service, which is the finest in the world. If you want to stand up here and run down the people who work in the ferry service, you go right ahead; go right ahead. But I want you to recognize that fact — \$41 million in one year from the taxpayers.

Don't talk to me about losses. That's the cost of the service to the people? I want you to recognize that fact. You don't like the truth, do you? That's the truth.

I want to remind you also that, like it or lump it, the ferry service, though the number of people and the number of cars we carry has increased by 50 per cent in three years, still maintains the finest ferry service in the world — 50 per cent in three years!

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Interjection.

HON. MR. STRACHAN: All right, you don't like it, but those are the facts. To stand there as you've done, talking about a loss, a loss, a loss — that's the cost of providing the service to the people of this province. If you don't want that, then stand up and tell me that you want me to increase the fares or cut the service. Stand up and tell me that you want the fares increased or the service cut. You haven't got the guts to do it. You haven't got the guts to

do it; that's what's the matter with you.

MR. CHAIRMAN: Order, please!

HON. MR. STRACHAN: It's the truth — \$41 million in 1966. Don't talk to me about a \$25 million loss. That's what it cost to carry the service to the people. Have the guts like a man to stand up and say increase the fares or cut the service, or shut up!

MR. W.R. BENNETT (Leader of the Opposition): A shocking performance.

MR. CHAIRMAN: Order, please.

MR. H.A. CURTIS (Saanich and the Islands): Woof! I apologize to the committee for suggesting that the Minister was in a mellow mood. If the Minister wants some rational discussion tonight on his estimates, or if the tirade we've just experienced is the tone he wants to set for the discussion of his estimates, then so be it. But I would remind the Minister that it wasn't an accusation in this House which produced this headline from *The Province* on May 8 this year. "Ferry Loss to Top \$25 million." Harvey Southam is the correspondent: "B.C. ferries will likely lose more than \$25 million during the 1974-75 operating season, Transport Minister Robert Strachan indicates."

Interjection.

MR. CURTIS: Now I think that the.... And we've heard a great deal from Prince Rupert in the last few days.

Mr. Chairman, I think that the Minister has done his estimates and this committee a disservice in the last few minutes with that programmed explosion which was supposed to, perhaps, put us on the defensive or something. I have no idea what his tactic was. We want to discuss the British Columbia Ferry Authority which, Mr. Chairman, we did not have an opportunity to discuss during the three and a half hours when the Minister's estimates were up earlier. So that was a very brief afternoon spent and most of it of necessity had to be devoted to ICBC. So it's up to the Minister tonight, not to the opposition, I suggest: does he want to act responsibly and discuss his estimates in a responsible fashion with Members of this committee, or does he want to give us tirade after tirade? That's his choice; it doesn't really work with me. So what's his choice tonight?

HON. MR. STRACHAN: Well, that was no tirade. I have listened to tirade after tirade for the last four months. I was just setting the record straight. That's all I was doing.

There's something else I would like to remind the Members across the way about. In the first annual report that I ever tabled in this House, prepared by the former Minister of Highways, Mr. Black, on my instructions there was included in that report, for the first time since 1968, information regarding route-by-route costs of the B.C. ferry system, and they are in this report too — the kind of information that was never before available to the House. It's in the public accounts again if you want to go through the public accounts — the cost and the revenue and expense for each year.

You can call me all the names you like, the fact remains that in order to maintain the service we are maintaining, despite the explosion of its utilization, it costs that kind of money. That's what it costs the taxpayer to provide the service. As I said before, we have two choices: either increase the fares or cut the service. It's a cost to the taxpayer.

For instance, the Gabriola ferry. That little ferry each year probably costs about half a million dollars more than it takes in, but it's a service to the people of Gabriola and the people of British Columbia.

Is that a loss? Are you going to classify it as a loss? Are you going to say that we should up the rates on that Gabriola Island ferry so that the income equals the expenditure? I want a rational debate, but I don't want the kind of accusation I've been suffering through for four solid months — tirade after tirade after tirade. I'm just putting it straight: that this is a service for the people, and any time the taxpayer wants to make revenue equal expenditure, and if that's what you want, tell me either to cut the service or increase the rates.

Interjections.

MR. CHAIRMAN: Before we proceed, I would just draw to the attention of the Hon. Members standing order 40, part 2: "No Member shall use offensive words against any Member of this House." I would ask the Hon. Members to exercise greater discretion in their choice of words.

MR. SCHROEDER: Mr. Chairman, I want to ask the Minister whether he was trying to have the House, and hence the people of British Columbia, believe that on the dates that he mentioned and the \$41

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million that he cited out of the public accounts... is he trying to have us believe that in those years there was \$41 million worth of loss? Is that what you were saying?

HON. MR. STRACHAN: No, no. I said it was out of the Public Treasury.

MR. SCHROEDER: You tried to have the House, the press and the public believe that there were \$41 million worth of losses.

AN HON. MEMBER: That's what you said.

MR. SCHROEDER: That is not true because I happen to have the figures of the estimates that were voted and the total expenditures for the B.C. Ferries for the certain number of years starting in 1966 and through 1967 when the accounting procedures were changed, right up through and including 1974. In most of these instances, Mr. Minister, the total amounts of expenditure aren't even equal to \$41 million, so there's no way that we can have \$41 million worth of losses. I don't want the people to be misled into thinking or believing that there were \$41 million of losses. Now tell the truth in this House!

Interjection.

MR. SCHROEDER: I want to read to you, and I have the floor.

AN HON. MEMBER: Go ahead; you're the one who cracks.

MR. SCHROEDER: I have the floor.

Let's go from 1974 and go backwards. Are you interested? Just to set the record straight, in 1974 the estimates voted \$46,547,000-plus for the expenditures of the B.C. Ferries. The actual amount of expenditure, according to this research, is \$56,760,000 for an over expenditure or a net loss of \$10,213,000. That was reported in 1974. Reported in 1973: the amount voted for the B.C. Ferries, \$34,546,000 — actual expenditures \$43,738,000 for an over expenditure or a net loss of \$9,191,000. In 1972: the comparative figures were \$29,844,000 actually voted and \$39,185,000 actually expended for a comparable loss of \$9,340,000. Now we go back to 1971 and the amount voted in the estimates was \$28,696,000. This is 1971.

HON. MR. STRACHAN: I've got it here.

MR. SCHROEDER: Then the actual expenditures for that year — \$26,401,000. For the first time, the balance is the other way — 1971.

HON. MR. STRACHAN: You've got the wrong figure there.

MR. SCHROEDER: Why is it wrong?

HON. MR. STRACHAN: Well, because you didn't look at public accounts.

MR. SCHROEDER: We've got the total amount of expended figures for 1971 — \$26,401,000. I give you a

chance to stand and correct it if it's wrong.

HON. MR. STRACHAN: It is wrong.

MR. SCHROEDER: In 1970 the amount voted was \$29,719,000 and the actual amount expended \$28,101,000. Once again for a surplus in that year. 1969 it was \$22 million voted, \$20 million spent. In 1968 there was an overage of \$1,624,000.

I will not have that Minister stand in this House and have the people of this province believe, by his statement a few minutes ago, that there were losses equalling some \$41 million in any one given year. Not even the Minister has that bad a record. Not even the Minister himself in his worst year has that bad a record.

Therefore it came as a bit of a shock to the people when he announced that there would be something like \$25 million-plus — and I've heard other figures bandied about — but a \$25 million plus loss in the present operating year, when up until 1971 the figures.... If the ones that I have here are not absolutely correct, they are certainly within the ballpark. This was researched, so we know that it was within the ballpark.

Now in 1967 and prior, the figures are given to us on a broken-down basis even better than from 1968 through 1974. It tells us not only what the revenue from the services was — \$20 million — it tells us what the actual expenditures were, \$16 million. It tells us what the capital expenditure out of income was and the amount that was paid in lieu of depreciation, for a net expenditure there of \$1,600,000. Together with the interest that was earned...can you believe it — interest earned out of temporary investments on the ferry service? Have you heard of anything like that recently? Interest earned on temporary investments of \$175,000 — not enough to write home about, but at least there was a balance. There we are — an overage in that year, 1967, of \$1,815,000. If I haven't made a believer out of you, Mr. Member for North Vancouver–Capilano (Mr. Gibson), then we'll have to read back even further than 1966.

I'd like to hear what the Minister has to say about the \$41 million loss.

HON. MR. STRACHAN: I tried to explain to you that in making a comparison between the money

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expended on the ferries and the revenue ferries obtained, it should not be referred to as a loss but as a cost to the people of the province for providing a service.

MR. SCHROEDER: It's an operating loss. Tell the truth.

HON. MR. STRACHAN: I reject the word "loss." It's a cost to the taxpayers, and that was the point I was making. In one year there was \$41 million taken from the taxpayer and transferred into the B.C. Ferries. That's what I said.

MR. SCHROEDER: Was it capital or was it operating? Can you tell us that?

HON. MR. STRACHAN: It was a cost to the taxpayers. I will not accept the word "loss" with reference to the operation of the ferries. It's a cost to the taxpayers, and that's all it is.

Some of your figures were wrong, and if you want to examine any up-to-date issue of public accounts, you will find that it gives you five years in a row.

I agree with you that until 1967 the amount of money that was taken in in revenue was greater than the amount of money that was paid out in operating. It was in 1968 that we started to turn that corner where that was no longer the case. That was really the reason why the B.C. Ferry Authority as such was done away with, and it was brought into the Department of Highways so there would no longer be that side-by-side differentiation. From that day until I became the Minister, there was never any detailed information of any kind provided to this House. I had it put into the annual reports.

All you had up until that time was an amount allocated to the ferries over here, and then on the revenue side, at the very beginning of the estimates book, was the other figure. If you look at 1968 — I think it was, or was it 1969 — you will find that was the first time there was an estimated difference of \$3 million between the amount of money you took in and the amount of money it cost to operate the ferries.

MR. SCHROEDER: A short question, then. Would the Minister tell us, please — the \$41 million, to which you referred, would the Minister tell us how much of that was capital expenditure and how much of it was operating expenditure? Tell us so the people will know, because there are some who know the difference between capital expenditure and operating expenditure.

HON. MR. STRACHAN: I don't think it makes any difference to the taxpayer whether the \$41 million was capital; it was a cost to the taxpayer. I want to get that into your head: the cost to the taxpayer is the only thing that matters. The cost to the taxpayer.

MR. BENNETT: Like ICBC.

HON. MR. STRACHAN: The cost to the taxpayer.

Interjections.

HON. MR. STRACHAN: Speaking of ICBC. Again I get misrepresentations. I read statements by people that say, "Despite the fact that ICBC has received \$120 million of the taxpayers' money, there is still a deficit of \$30 million." ICBC hasn't had one penny of taxpayers' money so far.

AN HON. MEMBER: The Minister sure crawled back down the pipe on that one.

MR. CURTIS: Yes, indeed. The Minister backed all the way to Tsawwassen after those figures were presented to him, and that is one of the problems we have with this Minister when we seek rational debate. I wish he had been in the House yesterday morning when we were discussing the estimates of the Hon. Provincial Secretary (Hon. Mr. Hall). In spite of his years in the House, he would have learned quite a lesson as to how to respond to questions and engage again in rational discussion of the public business and the public money.

HON. MR. STRACHAN: You give me rational questions, and you'll get....

MR. CURTIS: Don't start pointing at me, Mr. Minister. It doesn't impress me at all. It doesn't intimidate me at all either, Mr. Minister.

HON. MR. STRACHAN: You don't intimidate me.

MR. CHAIRMAN: Order, please. Would the Hon. Member speak to the vote, please.

MR. CURTIS: Speaking to the vote. We had a discussion a few days ago in connection with Bill 127, Mr. Chairman, and the possible federal subsidy with respect to the Princess Marguerite. The Minister of Transport and Communications has spoken about subsidies in the past, seeking federal subsidies. I seek a response from him how to give us an update on his attempts, or the government's attempts, to obtain subsidization from the federal authorities for the British Columbia ferry fleet.

HON. MR. STRACHAN: Thanks for the lecture Mr. Member. I want you to remember what I have been subjected to from across the way for four months. But thanks for the lecture anyway.

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SOME HON. MEMBERS: Oh, oh!

HON. MR. STRACHAN: As far as the federal government is concerned, they are still displaying the same attitude toward the west coast and our needs as they have done right through. They refused to give the previous

administration help with the ferries. So far, they are refusing to give us any help except the same subsidies anyone else gets on the construction, this despite the fact that right now they have leased another ferry for service on the east coast at a cost of \$3 million a year, and they have purchased other ferries for the east coast. There is a brief that was prepared and distributed to every MLA, and it amounts to millions and millions of dollars each year.

Then we find again a service to the people, the St. Lawrence Seaway, and you look at the figures for the St. Lawrence Seaway. This is in eastern Canada again. As I say, the previous administration went through exactly the same thing as we are going through — this absolute refusal of Ottawa to recognize the transportation needs of the west coast.

When I was back east, I asked the Minister of Transport about the St. Lawrence Seaway. If you look at the total revenue, for instance, of the St. Lawrence Seaway for 1973, you find their total revenue was \$28 million; their operating costs were \$38 million more than that; their interest payments are \$35 million. Out of a total revenue of \$28 million, their operating costs were \$35 million on top of that and interest payments were \$35 million. They have an accumulated deficit of \$102 million and outstanding debt, loans and deferred interest of \$758 million.

You know where that money is going to come from. It is going to come from the taxpayers of Canada, including the taxpayers of British Columbia.

Interjection.

HON. MR. STRACHAN: No, this is a service to the people of Canada and it costs the taxpayers money. I am simply saying that we have a service here that costs the taxpayers money and we should be getting the same kind of help in British Columbia that is extended to the east coast and central Canada through the St. Lawrence Seaway.

Interjection.

MR. CHAIRMAN: Order, please.

HON. MR. STRACHAN: The federal Department of Transport hired a firm of consultants to make a study of west coast transportation needs. One of the first things I had to do when I became Minister was to meet with that particular firm; I think it was Aikers & Co. I kept asking for the report, asking for the report. They delayed it and delayed it. Finally, at a meeting, one of these federal public servants blurted out the reason why they were unwilling to release it: the magnitude of the costs involved in the recommendations of that west coast transportation report was so great that they just didn't want it to be made public. That is what we are facing on the west coast — a cost of tremendous magnitude to provide the coastal transportation required.

Certainly I was very pleased the other day with the initial runs of the hydrofoil. I think it opens up some new possibilities for speedy transportation which might change our coastal transportation habits. I have to get a report from my staff as to the economics of that kind of ship and its utilization and the traffic we could expect from it. But I think it will open up new avenues of transportation between the islands and up and down the coast and between Vancouver Island and the mainland.

As far as the help from Ottawa, there is no indication yet that they are going to change their pattern of help.

MR. CURTIS: On a brief follow-up, does the Minister anticipate an official representation to Ottawa on this subject in the near future? You indicated that it has been discussed for quite some time. You reminded us that you have been in Ottawa recently. But what happens next? Is there a delegation going to Ottawa in the near future to once again present the British Columbia case on this particular subject, perhaps in concert with other subjects?

On the question of the hydrofoil, I suppose it is too early to ask the Minister if his staff has had an opportunity to do any kind of in-depth assessment after the four or five days, I believe, of trials with the Boeing Jetfoil which was here. I was particularly interested in discussing the Jetfoil with B.C. Ferries management and learning that really when one has.... The \$7 million figure sounds pretty steep. But when one is looking at several millions for construction of conventional ferries, as an example, the vessels of the type of Bowen Queen and Mayne

Queen.... I think one of your management people indicated to me that probably the replacement cost of those vessels today — and these are not the major route vessels — would be in the neighbourhood of \$4.5 million. It does give an additional perspective.

Certainly it is to be hoped that B.C. Ferries will look very, very carefully at the Jetfoil hydrofoil thing. Indeed, that may be the next major step for B.C. Ferries to take in the growing transportation system we have.

So, Mr. Minister, what about Ottawa and decisions

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on the Jetfoil?

HON. MR. STRACHAN: As I said, I have had no report yet from my staff on the economics of the Jetfoil, nor even their professional assessment of it as a ship. As an individual, I was certainly impressed with its performance, its speed, the fact that it created no wash at all at 50 miles per hour, which is pretty important in the waters that are used so much by sport fishermen.

It burns diesel fuel: it can re-track to go over a log if it hits or it can slice right through it. That's an amateur's assessment of it. I am waiting for the professional assessment and their economic report that I haven't had yet. However, already initial discussions have taken place between members of my staff and Ottawa in the hope that we can embark on a joint experiment perhaps with one or two of them in different routes on the coast. But that is not finalized; simply initial discussions have taken place on the possible use of Jetfoils, for a new type of transportation perhaps downtown to downtown.

MR. CURTIS: Downtown to downtown?

HON. MR. STRACHAN: Yes, that's the sort of thing we're looking for.

HON. G.R. LEA (Minister of Highways): Mr. Chairman, I'd just like to say a few remarks on what I consider the opposition is trying to do. They're trying to compare apples and oranges.

Until 1968 in this province there were tolls on a number of bridges within this province, so there was a revenue factor generated within the Department of Highways. There was money generated from those toll bridges. So if you're going to use the same kind of criteria that the opposition has been talking about, then over the years under the Social Credit government the Department of Highways had a loss that is staggering. This year I can say as a prophet that the Department of Highways in the Province of British Columbia is going to suffer a loss of \$272 million, if we're going to use the same criteria across the board.

Getting back to the apples and oranges, until 1968 the B.C. Ferries were under a Crown corporation and had the power to borrow money, which they did. The money was paid off from two different avenues of revenue: one, the money that came in, that people paid to ride on those ferries, and one from the toll bridges that were out through this province. But in 1968....

Interjection.

HON. MR. LEA: No, just 1968. Oh, there was one other amount of money that went into that system — that was 2.5 per cent of grant funds from statute grant funds.

In 1968 the B.C. Ferries were taken under the Department of Highways. At that time, the money that was owing from that ferry system was paid off out of general revenue.

SOME HON. MEMBERS: Oh, oh!

HON. MR. LEA: So you can't compare apples and oranges, but that's what you're trying to do. The fact of the matter is that there was money owing when those ferries came into the Department of Highways, which was paid

off out of general revenue. During the period when those ferries were running.

Interjections.

HON. MR. LEA: Yes. Also, at the same time the toll bridges...the money from those was used to pay off the money owing on those debentures. So you can't compare apples and oranges. The fact of the matter is that the Minister of Transport and Communications is absolutely right; you can't talk about a loss in the ferry area or you have to talk about a loss in the Department of Highways; you have to talk about a loss in the Department of Health and in Education and in every area where public money is being used to supply a service to people. You can't have it both ways, and that's what you want to do. The fact of the matter is that it was up until 1968 that you were talking about — the Member for Chilliwack (Mr. Schroeder) — and that is absolute hogwash.

MR. SCHROEDER: In 1968....

MR. CHAIRMAN: Order, please! Could I say my line first? The Hon. Member for Chilliwack.

MR. SCHROEDER: Thank you, Mr. Chairman. Let's start in 1968 when we compare oranges with oranges. By the way, if the Minister of Highways believes that all net losses are going to be expenditures because they are a cost to the people of the province, then I suppose that that is the rationalization process whereby they are going to try to dissolve away the losses of ICBC and say that you can't call it a loss, strictly because it's a cost to the people.

AN HON. MEMBER: That's right.

MR. SCHROEDER: I suppose that's the next step. I'd love to see you run a business.

HON. MR. LEA: I'd like to see you run one. Have you ever run one?

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MR. SCHROEDER: Yes, I have.

HON. MR. LEA: What was it called?

MR. SCHROEDER: It's none of your business. (Laughter.)

HON. MR. LEA: That's right.

MR. SCHROEDER: Let's go from 1968 and find out what the balances were.

HON. MR. LEA: There's big money in what you're in.

Interjections.

MR. SCHROEDER: At least we don't have a loss column.

In 1968 what was the balance of revenue over expenses — this is oranges with oranges — \$1,624,000; 1969, revenue over expenses, \$1,625,000 — very close; 1970, \$1,617,000 — again very close; 1971, \$2,295,000. The big deficits that you don't want to call losses....

Interjection.

MR. SCHROEDER: Do you want to call it deficits instead of losses?

HON. MR. LEA: Capital expenditures.

MR. SCHROEDER: We start — \$9 million in 1972; 1973, \$9 million; 1974 ...

Interjections.

MR. SCHROEDER: ...\$10 million. I thought you'd remember that, Mr. Minister. There you are, comparing oranges with oranges, Mr. Minister of Highways.

HON. MR. LEA: What about the capital expenditures?

MR. SCHROEDER: It looks bad no matter which way you call it.

HON. MR. LEA: Baloney!

HON. MR. STRACHAN: I want the people of British Columbia to note this, that the official opposition are serving notice to the people of this province that if ever again they become the government of this province, they will cut the ferry service.

I want the ferry workers to know that they will cut the wages of the ferry workers in this province. Cut wages! Cut service! That's what they will be doing. I want the people of this province to note this very well, they have served warning. If they ever become the government, they'll cut the wages of the ferry workers, they'll cut the service to the people of the province. They'll increase the fares to the people of the province.

That's what they want to do — ignore everybody all over the province that want to use the ferries. Don't vote Social Credit or they'll charge you more, or they'll cut the service, or they'll cut the wages that's what they're saying.

MR. D.A. ANDERSON (Victoria): I wrote to the Minister a short time ago and he replied, and he said in his letter about ICBC that he wanted to re-introduce the competitive bidding system, and he shakes his head now agreeing with me.

He went on to say: "Unfortunately once again, and especially in Victoria, the body shops got together and simply refused to accept the re-introduction of the competitive bidding system for auto-body shop repair work."

Well, I've been trying to find out, Mr. Chairman. I've been checking with all the body shops in Victoria, and they don't seem to agree with the Minister's interpretation of their views. They seem to think that they'd be very happy with competitive bidding. They feel that if they had competitive bidding you could wipe out hundreds of people involved in the ICBC assessment offices, where they check on what the damage is to 'vehicles, and they would like to see competitive bidding, so I'm assured. I would like to know from the Minister when he's going to make a real effort to get competitive bidding re-introduced.

I might say I appreciate the Minister's enthusiasm for competitive bidding, because it's sort of a free enterprise bit of competition which I think the Minister should approve of and it's just in the same vein I would suggest to him that we should have another insurance company so we can have a little free enterprise bidding there.

That's one question. The next is of the surcharge the Minister is permitting up to \$18.50 per hour, but most shops in this area are charging \$20 and they claim indeed that the \$20 an hour is not competitive at the present time. They're losing money. They're concerned about the dates; as the Minister knows, there's a three-month delay before there can be any change and they're pretty worried that there are going to be a lot of body shops which are losing money.

The shops at the present time are, of course, limited thanks to the present strike. I'll try and get that element out of the discussion. I'd like to know whether ICBC has paid any of the differential, the

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surcharge between the \$18.50 and the \$20 anywhere around the province. Are they paying that? If so, are any people getting this surcharge reimbursed? Now, if indeed, Mr. Minister, we are going to go to competitive bidding, and if indeed the competitive bidding leads to prices which are higher than \$20, I would assume that you would be paying the full shot.

Third area of questioning is the betterment of their vehicles. Betterment: this is where a vehicle gets involved in an accident; because it's in an accident they clean up, say, the front end and the vehicle winds up in better condition than it was prior to the accident. It puts the vehicle in a better condition than prior to the accident and it is, as my colleague says, a good thing.

Now ICBC has been particularly tough on this, particularly tough, and the two companies that used to be tough were State Farm and Allstate, and we find that there are a lot of former State Farm and Allstate people in ICBC and I think there's a curious coincidence here.

I think that if a person has an accident and they have to fix up the car, they shouldn't be paying this fairly heavy surcharge for betterment which is becoming more and more a bone of contention with those dealing with ICBC. They get their car fixed, the body shop charges them a surcharge they never expected to have to pay and didn't have to pay in the days of private insurance, then in addition, ICBC says "well, the car's better than it was before, therefore we're only going to pay 60 or 70 per cent of the body shop cost anyway," and then they knock the surcharge off that.

So I wonder whether the Minister would comment on those three points, and in particular, on the re-introduction of the competitive bidding system.

HON. MR. STRACHAN: First of all, the letter I wrote to you was absolutely correct. Let's start at the beginning. The executive secretary of the ARA, Mr. Lloyd Kinnaird, came to ICBC before we were in business, told ICBC that he represented body shops in the Province of British Columbia.

Interjection.

MR. CHAIRMAN: Order, please!

HON. MR. STRACHAN: I don't know what you're talking about. Get up afterwards. I'm recounting to you the history. The ARA, let me put it that way, came to.... You'll have your say when I'm finished...came to ICBC and said, "We represent the body shops of the Province of British Columbia. We'd like to negotiate a raise with you."

Negotiations took place — I think Evan Wolfe was on the committee, as a matter of fact. It was agreed that the rate be \$14.50 — agreed! Now they were asked if they had the authority to talk for the body shops and they informed ICBC, "Yes." So this rate was struck.

Immediately afterwards, within weeks, I found from Duncan, for instance, that the body shops there announced that they were going to start making a surcharge. The body shops in Duncan, which is my own constituency, asked if they could have a meeting with me. I said "you can have a meeting with me as your MLA but not with me as the president of the Insurance Corp. of British Columbia."

MR. D.A. ANDERSON: You should have resigned as president.

HON. MR. STRACHAN: So they came to me and I told them the story and I asked them. I said, "Did you give ARA the authority to bargain for you?", and each of them said, "Yes."

Then I said, "Why are you refusing to work for the price that the ARA agreed upon?"

They said, "Well, we just don't like the agreement they made." And that was the situation we were faced with.

In different parts of the province, people for whom the ARA, and to whom these body shops had given the authority, simply because they didn't like the agreement ARA had reached, said, "To the devil with it" and started to make a surcharge.

Then I said, "All right, let's go back to the competitive bidding system."

MR. D.A. ANDERSON: Right!

HON. MR. STRACHAN: And they said, "No."

MR. D.A. ANDERSON: What? Duncan or the ARA?

HON. MR. STRACHAN: No, the individual garages.

AN HON. MEMBER: In Duncan?

HON. MR. STRACHAN: In Duncan and in Victoria. So that information I have — that they refused.

So if you can get these people to write to me and tell me — because I've received no letter from any group of body shops anywhere in the province saying that they want to go back to the bidding system. You get them to write me a letter and we'll certainly take a good hard look at it. Because that's the actual experience.

In more than one place where the surcharge was being applied when we went to try and institute the bidding system, they either did something they had never done before, which was charge the potential

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customer a fee for providing a bid, or simply refused to make a bid at all. So there it was.

Insofar as the betterment of the vehicle, I'd have to check into that. The ICBC is not paying the surcharge to the best of my knowledge anywhere.

MR. D.A. ANDERSON: Are you sure?

HON. MR. STRACHAN: To the best of my knowledge. As you know, there is a strike on right now. It's very difficult to pursue the normal practices of talking to the body shops because we just simply haven't the people.

MR. D.A. ANDERSON: Just a quick little supplementary. I'd like the Minister now to comment upon the strike itself. He said that these body shops are not cooperating and they've got this wretched surcharge which he doesn't like, nor does the public like it, I might add. I'd like to point out that now we're in this strike situation, the ICBC has advised the public that they are to take their cars to cooperating body shops. I'm quoting here... "a cooperating body shop is one that is not charging the motorist any amount in excess of the deductible and is charging the corporation's previously agreed rates."

Now apparently there are very few of these. There are not that many, and I wonder what happens to the poor motorist caught in a strike situation who just happens to make a mistake and go to the wrong body shop. It appears that they are strictly out of luck and they're not getting the cheques which they would otherwise be receiving.

The problem is, you see, that the union has a somewhat different approach than ICBC and the customer is in a very difficult position at the present time.

There is some talk that if the vehicles — and I'm quoting now the Office and Technical Employees Bulletin of May 30 — "The union and its members consider that any body shop which repairs vehicles in accordance with the corporation's procedures will be strike-breaking. In this event the union and the employees of the ICBC would have no choice but to react accordingly."

Nobody knows how the union would react. There is talk of documents getting lost once the strike is finally settled and people never getting paid. I don't think that would happen; I'm not sure. But nevertheless there's a real bind here. And the public are caught.

I wonder whether the Minister tonight could tell us whether he will publish lists of the cooperating body shops and whether he will make sure that anybody who does deal with the cooperating body shop is not subjected in the future to any harassment or any difficulty because he has done something which the Office and Technical Employees Union regards as strike-breaking.

HON. MR. STRACHAN: First of all, I read with interest every comment made by the Office and Technical Workers' Union. I read with interest every publication they made. But because I knew that eventually both parties would have to get around the bargaining table again, rather than escalate any differences that have existed, rather than add to a climate that was not too amicable, I refrained from either saying that that is not true, or making any comment on any of the kind of statements you have been referring to. I deliberately avoided it. I didn't want to escalate a "you said, I said, you said" sort of situation, because I knew eventually it would have to get back to the table. And it doesn't make it easy to start negotiating again if you are coming out of that sort of name-calling contest. I know that from experience.

They are now sitting around the bargaining table and have been for two days. I really don't want to make any comment on the kind of statements you were reading, except to assure you that the management of ICBC will not stand for any kind of discrimination between the body shops as to what they did or what they didn't do during this unfortunate period.

You referred to the fact that the public are in a bind. That always happens when there is a strike situation.

MR. D.A. ANDERSON: The bind, Mr. Minister, is because of the original memorandum of May 27 about the cooperating body shops. I am not necessarily sure which shops these are.

HON. MR. STRACHAN: The first bulletin the management issued — and this was after a survey of shops — came out because it was obvious there were a number of shops which were willing to collect from the individual only the deductible part. There were others who simply demanded the whole thing.

Once the strike is over, it will be a substantial job for the corporation to determine the fairness of some of the charges that have been made to some people who have had to pay the full amount. It will be a very substantial job. I have had reports of the kind of charges that some body shops have been making which are obviously far higher than they should be. And they are demanding full payment from the customer before the vehicle is released. So it will be a substantial job in at least spot-checking many of the bills that come to us. But, as I say, it is a strike situation, and nothing is normal during a strike situation.

MR. SCHROEDER: In view of the fact that the results of ICBC show a net loss — although the

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Minister doesn't like the word — of some \$34 million in Autoplan, and in view of the fact that the Minister has stated on several occasions that not one penny of subsidy is going into this Autoplan, I want to hear the Minister say that this year's premium income is being expended in last year's operating costs and last year's claims, and that we can foresee for this year an accumulated deficit, since there will be no subsidy, according to his word, an accumulated deficit of \$34 million plus whatever the operating deficit is for this year.

HON. MR. STRACHAN: At no time have I said that a subsidy would not be required.

Interjections.

HON. MR. STRACHAN: No, no. I said....

MR. SCHROEDER: You said not one cent has been paid.

HON. MR. STRACHAN: I said....

MR. SCHROEDER: Not one cent has been paid.

Interjections.

MR. CHAIRMAN: Order, please.

HON. MR. STRACHAN: That's right.

MR. SCHROEDER: Not one cent has been paid.

HON. MR. STRACHAN: That's right.

MR. SCHROEDER: Not one cent has been paid.

HON. MR. STRACHAN: That's right.

MR. SCHROEDER: So, in other words, Mr. Minister, you are using this year's premium income to pay last year's operating expense and claims.

HON. MR. STRACHAN: No, no, no.

MR. SCHROEDER: Where are you getting it from?

HON. MR. STRACHAN: Look at the balance sheet.

MR. SCHROEDER: Where are you getting it from? Then you are using the reserves?

HON. MR. STRACHAN: No, look at the balance sheet.

MR. SCHROEDER: You are using the reserves? You look at the balance sheet, my friend. There is a \$34 million net loss after reserves. So that means that you are using this year's premium income to pay last year's operating costs and last year's claims. It doesn't add up any other way. Mr. Minister, tell me which way it is.

HON. MR. STRACHAN: Again I say that we are not using any of this year's premium to pay last year's claims.

AN HON. MEMBER: Read the balance sheet.

AN HON. MEMBER: Impossible to balance.

MR. G.F. GIBSON (North Vancouver–Capilano): I would like to come back to the British Columbia Ferry system and raise with the Minister a problem which I know is bothering him and has been bothering me for months and years. That is the problem: no federal subsidy for the B.C. Ferry system. This is a charge, Mr. Chairman, which is essentially paid by the people of British Columbia. It is not paid by the people from outside the province, be they Canadians from other provinces or other lands who come here and ride on our ferries. It is paid by British Columbians, because we pay the deficit of the ferry system.

HON. MR. STRACHAN: The cost of the ferries.

MR. GIBSON: The cost of the ferry system — the "balance of revenue," as the banks call it, we pay.

Mr. Chairman, I know that this Minister is a good Canadian. One of the first things he did when he came into this government was put the signs back on the Trans-Canada Highway, call it like it should have been and so on, I guess he's maybe been reluctant, because of that kind of feeling, to consider that perhaps there should be some kind of differential charge on the B.C. ferry system. But I want to suggest to him that perhaps there should be.

You know, Mr. Chairman, in this Confederation we live in, it's a balance-of-power situation, and to perfect that balance of power it's sometimes necessary for the provinces to stand up on their hind legs and say that this is our right, and this is what we demand. I say to you, Mr. Chairman — and I know the Minister agrees because he said so in this House this session — that what is our right and what we demand is a subsidy for British Columbia and the ferry system that is commensurate with what the eastern provinces get in subsidies for their ferry systems. That's only fair.

Sometimes to make Ottawa see the light you have to indulge in just a little bit of what you might call friendly guerrilla action, or something like that. You

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sometimes have to fight fire with fire. So I want to suggest to the Minister that there should be on the British Columbia ferries what I would call a lack-of-federal-subsidy equalization charge. I'd just put that in quotes, and I'd put that on top of a special ticket. Then whenever a car drove up with licence plates from British Columbia I'd say to them: "God bless you, you've already paid the lack-of-federal-subsidy equalization charge in your taxes. Get aboard the ferry; we'll just charge you the regular." But when a car came up from the rest of Canada or from out of the country, I'd say: "Well now, this isn't quite fair because you fellows haven't paid the lack-of-federal-subsidy equalization charge. And had things been working right, you would have paid it through your Canadian taxes. But things aren't working right and we aren't getting that here in British Columbia, so, unfortunately, now you're here at the ferry gate and we have to assess you at this point."

Therefore I would suggest to the Minister — and I wish he'd think about this very seriously — that every car with a non-B.C. plate that showed up at the ferry terminal should be charged the regular fare, of course, naturally; then after that it should be charged an extra \$5. And you give them a ticket saying that this pays up their lack-of-federal-subsidy equalization charge. You give them a little pamphlet with that to explain exactly how it is, because it's a fairly complicated case, Mr. Minister, and one which you've made many times in this House, but it's an equitable case. Canadians from other parts of the country who come here to enjoy British Columbia, and people from Washington state and so on, would say: "Well, God bless us. We didn't know that British Columbia was being treated this badly by the federal government in respect to the ferry system. Now that we read this story, we're happy and willing to pay that."

So, Mr. Minister, I would suggest that you put that kind of charge on until Ottawa finally comes through and does the right and honourable thing by British Columbia and gives us for our ferry system what they give to the rest of the country.

HON. MR. STRACHAN: Now, Mr. Chairman, you know Ottawa won't even know that the B.C. ferries are now part of a department of government.

MR. GIBSON: We've got to give them a little something, though.

HON. MR. STRACHAN: They still charge us and will not remit the federal sales tax.

MR. GIBSON: We've got to give them a little trouble, though,

HON. MR. STRACHAN: It was okay when it was a separate Crown corporation, all separate, but it's part of a department.

Now what mitigates against your suggestion and don't think I haven't considered it, because I have. When we talk about the loss or cost of the B.C. Ferries to the people of this province — that \$25 million cost I've been hearing so much about — I think you have to remember, as we were told today by another Minister, that the tourist industry of British Columbia provides \$840 million. That's \$840 million from tourists! How much of that goes to make up that \$25 million cost I've been hearing so much about? Probably more than that amount comes because we welcome tourists to this province.

AN HON. MEMBER: That's a guess.

HON. MR. STRACHAN: Well, as a guess. I said that it was probably more than that.

MR. L.A. WILLIAMS (West Vancouver–Howe Sound): Don't guess.

HON. MR. STRACHAN: Pardon?

MR. L.A. WILLIAMS: You've got four guys over there — don't guess. Give us the answers.

HON. MR. STRACHAN: Well, I don't know how you'd separate that \$840 million. But the thing is, if you start making that kind of extra charge on tourists who come to Vancouver Island, I suggest to you that the merchants of Vancouver Island would be most unhappy because it would then be a clear indication from tourists all over North America that if you're a tourist in this province you're going to have to pay extra. That would spread all over North America, and I suggest to you it would have a very deleterious effect on the tourist industries. I think it would, that kind of discrimination.

And that \$840 million industry is a pretty substantial source of wealth-creation in the Province of British Columbia.

MR. GIBSON: Mr. Chairman, just a very brief follow-up comment. I acknowledge and respect the Minister's argument. In return, I would suggest to him that it wouldn't be discrimination; it would just be charging to those outside the province the same kind of tax or rate to ride on the ferries as those of us within the province already pay through our normal rates. So it wouldn't be discriminatory.

But perhaps even more important than that, Mr. Chairman: I would suggest that this lack-of-federal-subsidy equalization charge would only have to be on for two or three months before the federal government would begin getting the

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message because dimly, from the outlying provinces, there would start trickling through the jungle telegraph the idea that something was happening out there in the far-flung reaches of British Columbia. Something was happening.

HON. MR. STRACHAN: You know better than that.

MR. GIBSON: If we were able to embarrass them enough, Mr. Chairman, just possibly we would be able to make the point that there was something wrong here and that Ottawa should look at it.

Sometimes it is as good to raise a little chuckle as anything else. I think that Ottawa would have to respond to this because they would be embarrassed — there would be questions asked in the House of Commons. The Minister would have to stand up, kind of rub his toe on the rug and say: "Aw, shucks." But that's about all he could say because their case is so bad. So, Mr. Chairman, I just commend that again to the Minister's attention. I hope he thinks about it over the summer.

MR. N.R. MORRISON (Victoria): I would like to change the subject just slightly, if I may, and discuss with the Minister the problem of the tow-truck operators. Could the Minister advise us if there is more than one uniform contract for rates for tow-truck operators through the Province of British Columbia, or does ICBC have one standard rate?

HON. MR. STRACHAN: I'm informed that there is one standard rate.

MR. MORRISON: Well, thank you, Mr. Minister. That was my information also. But I happen to have in my possession right now two different rates, both approved by ICBC, apparently, and both being paid by ICBC — prior to the strike. I would like to give it to you after the House so that you could have a look at it. I understand there are different rates, and those operators who are being given the lower rates, here on the island and in Vancouver, are concerned now that they have located this other set of rates because they believe they have been misled by ICBC who have assured them there is only one rate, yet they have both copies.

HON. MR. STRACHAN: My recollection was that there is a Tow-truck Operators Association, and negotiations took place with the Tow-track operators Association for the one rate.

MR. MORRISON: But there are two rates.

HON. MR. STRACHAN: Okay, you send it over to me. It was my understanding and my information that there was one rate. But you send it over and I'll check it out after the strike is over.

MR. MORRISON: I would like to go on to another subject. Some time ago I spoke to the Minister on a series of questions concerning government aircraft. I received this brochure, which I have shown you and which comes from your department. It lists that you have 10 government aircraft, on the bottom of page 4. I asked the airport one day if they would give me the letters of the aircraft, and they gave me 11. I would assume that one of those aircraft has been given or sold to somebody, but it still appears to be on this list. I have the letters for you if you want them later.

Then I looked up the logs that you filed with the House, the last series of logs, and I came across some rather interesting items. I would just like to cover them with you.

In the logs for April, 1974, it would appear that only seven out of the 10 or 11 — I'm not sure which — flew. There were either three or four that didn't fly at all. In May, 1974, there were only six aircraft used. In June of 1974 there were only five aircraft flown. During July of 1974 only five aircraft flew. August of 1974 only five aircraft flew. October of 1974 only five aircraft flew.

AN HON. MEMBER: How many were there?

MR. MORRISON: Well, 10 or 11. I'm not sure whether there are 10 or 11 now.

MR. D.M. PHILLIPS (South Peace River): Do they depreciate on the ground?

MR. MORRISON: In November, 1974, they actually used seven of them. December of 1974 you used six. January of 1975 you actually got eight of them in the air — mind you, one of them wasn't there for very long. February, 1975, seven of them flew. March of 1975 eight aircraft flew. So I would like some understanding of what is happening to our aircraft fleet.

I had also asked the Minister a series of questions concerning the use of government aircraft by other people; that is, people other than the provincial government. I asked him if we had received any revenue from any source for use of B.C. government aircraft. To the best of my knowledge he hasn't replied to that. He did tell me that occasionally the RCMP do use B.C. government aircraft. Now whether we get paid for that or not, I don't know.

I also asked him about the Department of the Environment which apparently had used one of the government aircraft to test an inertial navigation system. I asked if we had received any revenue for that, and I don't believe the Minister answered

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whether we were paid for it.

While I am on that subject, it is my understanding that one of the 10 or 11 aircraft is to be used again this year for some form of use with the federal government in the Department of the Environment, and that there are quite a number of hours likely to be used. Do we get paid for it?

I also want to know what our insurance situation is if that aircraft is being used by someone other than the provincial government.

I asked the Minister if he would file with the House the insurance carrier and the insurance forms, which as yet has not been done. I also asked him if he could give us some indication of what the load factors are on some of the trips, and he hasn't filed any of that information yet. I also asked him if we rent or lease any additional aircraft for any use in the Province of British Columbia, and he hasn't answered that yet.

HON. MR. STRACHAN: You have asked about a dozen questions already.

MR. MORRISON: You want me to go one at a time?

HON. MR. STRACHAN: Yes, ask me a question, please.

MR. MORRISON: All right, Start then and tell me about the use of the 10 or 11 aircraft that we appear to have. How many of them do we own?

HON. MR. STRACHAN: First of all, some of the questions you say I haven't answered yet — if you go through *Hansard*, you'll find the answers.

MR. MORRISON: I did go through and you didn't answer them.

HON. MR. STRACHAN: I have listed in my book 11 aircraft — CF-BCL, CF-BCN, CF-BCD, CF-BCF, CF-BCE, CF-BCG, CF-FHF, CF-BCN, CF-BCO, CF-BCB, CF-BCC.

MR. MORRISON: That's 11.

HON. MR. STRACHAN: Yes.

MR. MORRISON: All right.

HON. MR. STRACHAN: Okay. One of them is going to Selkirk College; one of them has already gone to Burnaby Vocational School.

MR. MORRISON: Gone?

HON. MR. STRACHAN: Oh, yes.

MR. MORRISON: When?

HON. MR. STRACHAN: Oh, there was a picture in the paper a month ago...

MR. MORRISON: I know that.

HON. MR. STRACHAN: ...of them being towed up the main street at 3 o'clock in the morning.

MR. MORRISON: Okay. Which one of those aircraft went there?

HON. MR. STRACHAN: Well, that's the time you move a thing of that kind up the Main Street. That would be the CF-BCB.

MR. MORRISON: I don't have that on my list and I've still got 11. (Laughter.)

HON. MR. STRACHAN: The reason that some of the aircraft probably don't show on those logs is that in the July-August, for instance, they're not operating as passenger-carrying aircraft. They're full-time on aerial photography for the Department of Lands.

MR. MORRISON: Yes, but you still filed those logs showing aerial photography on some of them — I've got some of them right here in front of me. You show it as a photo trip on each one.

HON. MR. STRACHAN: There is one plane based in Kamloops.

MR. MORRISON: Yes, I've got that.

HON. MR. STRACHAN: That's a De Havilland Beaver, CF-FHF — which is why you couldn't find it out at the airport.

MR. MORRISON: But you filed the logs for it and there are periods where it doesn't fly.

HON. MR. STRACHAN: What?

MR. MORRISON: The Minister filed the logs for that particular aircraft and there were months when that aircraft didn't fly — wasn't in the air. Those logs were filed among the others. There are logs here for literally every one of these aircraft.

MR. CHAIRMAN: Order, please. I would ask the Hon. Member if he couldn't perhaps stick to.... We've been allowed some latitude but we are dealing with the Minister's vote — with vote 250.

MR. MORRISON: Certainly this comes under his responsibilities.

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MR. CHAIRMAN: There are specific votes for the aircraft. Also, it would seem that some of these questions would probably be more appropriate in public accounts. However, I would ask the Hon. Member to proceed just bearing those two points in mind.

Interjections.

HON. MR. STRACHAN: If you want, write them all out and send me a memo. It used to be that nobody was allowed within two miles of that hangar. As you know, I changed all that and you are able to walk in and out of there and see what's there. That's the way it's going to stay. That's the way it's going to stay. Nobody was allowed anywhere near that hangar — within two miles of that hangar — under the old administration, but the doors are open. You walk in and out there as you please as you know.

Anyway, if you write out all those questions on a memo, I'll see you get all the answers. How's that?

MR. MORRISON: Thank you, Mr. Minister. I appreciate that and I will do that because I would like to have the answers. I would also like the House not to be misled — those hangars were always open. I was in and out of them. (Laughter.) Don't mislead the public either because none of us get the use of those aircraft. I specifically recall the Minister saying to me: "Over my dead body will you ride in those aircraft even if the seat's empty."

HON. MR. STRACHAN: Oh, I never said that.

MR. MORRISON: Yes you did, sir. You just look in the logs and find out when we used them unless we were taken at the invitation of a Minister in any one of those aircraft. Yet there are aircraft flying on a daily basis to and from Vancouver obviously with a load factor which is not 100 per cent. There are many empty seats going back and forward on that flight.

You have a scheduled airline running and you don't have a licence for it. It's only available to your friends and to your employees, not ours. We have no use for it so don't mislead the public by telling them that we do. Don't mislead that public by saying that hangar is any more open today than it has ever been. Anybody could walk in those hangars at any one time.

HON. MR. STRACHAN: Ask Andy Stephen. Go ahead, ask him. Go out in the corridor and ask him now.

MR. MORRISON: If Andy Stephen couldn't get in the hangar he didn't know how to open the door because it wasn't locked — it's never been off-limits to anybody. In the 20 years that I have been on that field I have been into every single hangar with no difficulty. Today you'd have a little difficulty because it's now fenced. I realize that you didn't have anything to do with the fence; that was a federal government responsibility. That has nothing to do with keeping people in and out of hangars.

But don't mislead the public to believe that those aircraft are any more available. I'm not saying that they were before but they're not any more available.

HON. MR. STRACHAN: I certainly didn't say that you were being allowed to utilize aircraft now — I didn't say that.

MR. MORRISON: You certainly left the impression that you were.

HON. MR. STRACHAN: No. I said that no one was allowed near the hangar to examine that hangar, what was in there, ask questions....

MR. MORRISON: That's baloney; that's rubbish.

HON. MR. STRACHAN: Never before has there been an annual report with a section "Transport operation and air services branch" listing it all — listing the aircraft. It used to always be hidden in roads, bridges and wharves — the whole thing.

MR. D.F. LOCKSTEAD (Mackenzie): I hear the Hon. Member for Columbia River (Mr. Chabot) still chirping. However, after the next election he won't be here to chirp.

Mr. Chairman, just a few brief remarks in regard to the questions to the Minister. I've listened patiently to the remarks about deficit financing of the ferries. I want to tell you something, Mr. Chairman. In my riding, these ferries are our highways. No resident in my riding can travel anywhere without travelling on a British Columbia ferry or a B.C. Department of Highways ferry. These ferries are, in effect, our highways.

I know very, well that we do, as a matter of fact, finance highways. We do not have tolls on highways. I want to repeat that I favour the Minister's policy. I think that all the people of British Columbia, as well as people from other parts of this country and continent, use these ferries regularly, frequently, and I think that we should all pay our fair share. Further to that, Mr. Chairman....

MR. G.S. WALLACE (Oak Bay): Take the charges off altogether; be consistent.

MR. LOCKSTEAD: Good idea. Why not? Further to that, Mr. Chairman, since these ferries are our highways, I would suggest that people in my riding who are permanent residents of the area should have

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priority loading privileges. It is my personal feeling that anyone who is at a ferry terminal one-half hour prior to loading time should have first rights to board before any non-residents in my area. After all, we do depend on these ferries for our transportation services.

Another point, Mr. Chairman, I would like to ask the Minister to consider is free transportation on our ferries for our senior citizens. Why not? Why shouldn't our senior citizens have the privilege of travelling on our B.C. ferries or Department of Highways ferries at no cost? Why not?

Another item that I would ask the Minister to consider, Mr. Chairman, is the matter of youth groups in my riding. We have Girl Guides, we have the Member for Columbia (Mr. Chabot), we have Little League teams, soccer teams, Boy Scouts, Brownies, all these youth groups. Now I do understand, Mr. Minister, that school groups do travel at no cost during the school week on the ferries. However, I feel that these groups of young people should, particularly between Mondays and Fridays.... I see no reason why they cannot be allowed passes to travel free on our ferries.

In closing, Mr. Chairman, I'd like to offer my congratulations to the Minister and management of the B.C. Ferries and the Department of Highways in my riding, these people who have so greatly improved the scheduling and the ferry service, and I look forward to further improvements in the system; and there had better be.

One other item, Mr. Chairman, while I'm on my feet. I'd like to point out that the morale of the crews on the various vessels, and I travel on all of them at one time or another, has increased significantly since we have become the government.

HON. MR. STRACHAN: I want to thank the Member for his remarks. There are group rates for school children, old-age pensioners and other groups. There are group rates on some runs.

Interjection.

HON. MR. STRACHAN: Well, is that where you belong? As a matter of fact, on one route we actually transport the passenger free — the old-age pensioner free — and all we collect is the payment for the bus, the cost of the bus carrying each passenger.

MR. McCLELLAND: A few words about the Insurance Corp. of British Columbia. I just want to assure the House that there is no split in our caucus.

HON. MR. STRACHAN: Would you please start again? I couldn't hear.

[Mr. Lockstead in the chair.]

MR. McCLELLAND: Thank you, I hadn't said anything yet, Mr. Chairman.

I wanted to say a few words about the Insurance Corp. of British Columbia and ask the Minister a question or two. I get a kick out of the myth that the Minister attempts to put forward that there's never been any subsidy, not one penny of subsidy to ICBC from the public purse. Yet his own colleague, the boss of that group over there, the Minister of Lands, Forests and Water Resources (Hon. R.A. Williams), the red-faced Minister, in Madison, Wisconsin, June 14, 1975.... Just about a week ago he was in Madison, Wisconsin, telling a left-wing group in Madison about the great socialist government that they've established up in British Columbia, and his words were:

"Two years ago, in addition, we established the Insurance Corp. of British Columbia, ICBC, locally known as Icky Bicky."

AN HON. MEMBER: Is that what he said?

MR. McCLELLAND: Yes, that is what he said.

AN HON. MEMBER: He didn't call it Moscow Mutual?

MR. McCLELLAND: No, he didn't refer to it as Moscow Mutual at all. He called it Icky Bicky.

He said "Overnight we created in British Columbia the largest insurance company in Canada, and overnight all automobile insurance became tied to the driver's licence and the public corporation." Then, just a week ago in Madison, Wisconsin, he said: "While we have subsidized the system, partly out of an increase in the gasoline tax..."

SOME HON. MEMBERS: Oh, oh!

MR. McCLELLAND: "...there is no question that the people are basically getting better service at a lower cost."

MR. L.A. WILLIAMS: Who said that?

MR. McCLELLAND: The Minister of Lands, Forests and Water Resources last week in Madison, Wisconsin. And that Minister, Mr. Chairman, stands up in this House tonight and says that not one penny of subsidy has ever gone to ICBC. Somebody is lying.

Mr. Chairman, I know that this government had a great idea and wanted to establish the Insurance Corp. of British Columbia as their socialist dream, and it would have been a good idea if it had been carried out correctly. But instead it has turned into a nightmare of political interference. I refer to the column by Allan Fotheringham in tonight's *Vancouver Sun*. It says:

" Down goes another one at ICBC. Jack Margach, who has been filling in as chief counsel ever since Terry O'Grady left, resigned on Monday. There is a feeling that ICBC hardly needs a legal department, considering the way the Victoria dabblers are dabbling.

"...ICBC is simply a political football, and is run by Premier Barrett and Provincial Secretary Ernie Hall in concert with ICBC boss Norman Bortnick. Bob Strachan, the Minister in charge? Out to lunch."

So says the article — out to lunch.

Mr. Chairman, I don't know whether or not that part of it is correct, but certainly there has been too much political interference in the operations of the Insurance Corp. of British Columbia.

AN HON. MEMBER: Hear, hear!

MR. McCLELLAND: That is the problem with the whole corporation. It could have been a good corporation. It could have provided a good service for the people of British Columbia. It could have been competitive, with the private industry being allowed to stay in business, if it had been allowed to operate on the same basis. But no, instead it had to become a political football. That is what went wrong, Mr. Chairman. We've seen last year.... We see so many mistakes in the operation of that corporation.

The motor vehicle branch in British Columbia used to have the best record in North America for its statistical evidence that it had built up over the years. In about a year, after ICBC got involved, that whole system was destroyed. The best system in North America was completely destroyed and irreparably harmed. It probably will never come back to the status it enjoyed before.

We know, and it's been admitted, that there were some 400,000 computer errors in ICBC last year. Some 80,000 of those computer errors are still in the system — haven't been fixed from last year. Now this year the situation is just as bad or worse with another, perhaps 300,000, computer errors facing us for this year alone, right now in those renewals that have been put forward. How much extra staff has had to be hired to look after those computer errors alone and to make sure that someday perhaps those renewals get back into the system so that they can be a part of the statistical evidence? Without them, you know, we are talking about a 25 per cent error in establishing rates for next year, or establishing claims figures. There is no possible way that you can establish a correct analysis when 25 per cent of your system is out of whack, so anything that we do next year can't be very meaningful.

We talked, and, Mr. Chairman, I asked some questions here in the House a while ago. As he always does every time I have asked that Minister a question, instead of attempting to answer, he mounts a personal attack on the Member for Langley.

Interjections.

MR. McCLELLAND: That's right. It happened again when I asked a question about.... This is good stuff, Mr. Chairman. I hope you are listening in.

AN HON. MEMBER: Wake up!

MR. McCLELLAND: I asked a question about ICBC cancelling tenant packages under the general insurance rule because of people being either unmarried or under the age of 30, or both. I was told that no possible way could that ever happen. Yet I have a letter here from a man in an insurance agency who says:

"After sending in a tenant's package application to ICBC, I received a phone call from Bob Johnson, whom I understand is in charge of that department, telling me that it was the corporation's new policy now to accept any single people under age 30 and that I would be getting a memo to that effect shortly. He said if he allowed this application to go through, it would only be cancelled on renewal."

Then I have a couple of other applications here, Mr. Chairman, which were refused — no real reason given, but the indication was that both of them were single and living common-law — "Notice of Cancellation." ICBC has been very careful not to say what the reasons were, to put those reasons on paper, but there is no doubt that those were the reasons.

Then later, April — 14, 1975, a new personal lines underwriting guide was delivered to all agents, all ICBC general insurance agents in British Columbia. Most of it is pretty good — straightforward stuff that you find in any underwriting guide. Then we get down to the section which lists uninsurable risks: "Risks are uninsurable when there exists an unacceptable degree of moral and/or physical hazard. Moral hazard arises from those is difficult to define human characteristics which make an individual honest or dishonest, ethical or unethical, careful or careless."

The thing goes on to list some other underwriting guides, but then it says that policies will not be accepted by risks affected by moral hazards, or which do not evidence a reasonable standard of maintenance and housekeeping.

Who makes all these decisions, Mr. Chairman? Who decides whether or not a person is morally bad and the ICBC won't accept them as risks because they don't evidence a high enough degree of housekeeping? Who goes in and looks through these premises before they decide whether or not they are going to be

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allowed as risks for ICBC? Who decides, because a person is either living common law or is single, is under 30 or perhaps has a messy house on a Wednesday afternoon...? Who makes that decision? That Minister stood up and attacked me for being irresponsible, when all the time that company was operating by the same guidelines which I said were in effect in this House.

Mr. Chairman, there is another item with regard to property taxes paid by ICBC to the various communities in which it operates. There was an order-in-council approved January 30, 1975, in which it was said that the Insurance Corp. of British Columbia, in the year 1975, will pay to each and every municipality in which property of the corporation is situate, the amount, which the corporation would be liable to pay in business tax or real property tax to the municipality for 1975. Why only 1975? Does ICBC plan to get out of that commitment for 1976 and onward? Or will it continue to pay property tax? Why won't it pay full property taxes, including education tax as well? It says only real property tax and business tax.

I think there is a myth growing up here again that ICBC is paying the same kind of property taxes that everybody else in the community is paying. If this order-in-council is correct, the ICBC is once again, like so many Crown corporations and so many departments of government, riding on the backs of the local taxpayers and causing, in effect, local taxes to go up for those people who can least afford it.

Interjection.

MR. McCLELLAND: Oh, sure. It's been happening for many years, through you, Mr. Chairman, to that Minister who commented. It wasn't right then and it isn't right now.

Interjection.

MR. McCLELLAND: Well, you're no better. You're sitting there with a smug look on your face, and this government is still riding on the back of the local taxpayers.

Mr. Chairman, I would like to just briefly mention a few comments about an unfortunate event that happened a short time ago with regard to ICBC and the firing of one of the senior officials, the vice-president of claims for ICBC, Mr. Douglas Scrivener. I'd like to deal with some of the answers the Minister gave me at the time we were in this debate. I recognize, too, that there is a strike on and that the Minister may have difficulty getting some answers at the present time. But there have been a number of answers that haven't really been given, and I still think some answers have been given incorrectly in this House.

First of all, in relation to the amount of business that was done by Mr. Scrivener's firm in Saskatchewan, first of all, he told the press that there were 11 claims handled by Mr. Scrivener's business. Then the next day he amended that by saying it was a total of 40 — 11 and 29 — 29 which walked into the office, I guess, and 11 which were referred by ICBC in British Columbia. He said that the total amount was \$3,000 to \$4,000, and the company's commission would be around \$250.

There is evidence that has come to my attention that there are many more claims than that, but there is difficulty in separating the number of companies involved because Mr. Scrivener did sell some companies and some were in Alberta and some were in Saskatchewan. But the information that was given to me was that since ICBC began operations there have been, on the average, some 20 claims a month going to those firms which bear the name of Scrivener in the prairie provinces, the two prairie provinces, Alberta and Saskatchewan — as many as 20 claims per month on the average.

Now I don't know what the breakdown is of these companies. Some of them may have gone to the Calgary companies, which were sold, and some to Edmonton. But I think it is important that we know exactly how many of those claims went where and to what companies.

Mr. Chairman, the \$250 commission figure that the Minister mentioned seems frankly impossible to me, frankly impossible. Even if it were only 40 claims, Mr. Chairman, I don't see how it would be humanly possible for the adjusting firm to have collected only \$250. Adjusting firms don't charge commission to begin with. They charge flat fees.

In Vancouver, for instance, that fee in one major adjusting firm in Vancouver is \$35 per hour. And that includes only the actual adjustment costs. There's typing on top of that, mileage, phone calls, letters which are written if they have to be written; all of those things are charged as individual items. Anti at \$35 per hour for 40 claims, it's pretty unlikely that the total amount of money that went to that company was \$250.

Interjections.

MR. McCLELLAND: Yes, just like lawyers, that's right.

So, you know, if the Minister can document those figures, I'd be happy to have them. But they seem highly unlikely to me.

I appreciate, Mr. Chairman, the Minister's prompt action in dealing with a conflict of interest situation. I have to say at this time, after having talked to many people in the industry, that I am sorry about what happened to Mr. Scrivener, because I understand he was a very competent person and was he'd in high

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regard by all of the people. Yes, unfortunately, he may be the best person you had at ICBC.

AN HON. MEMBER: And you had him fired.

MR. McCLELLAND: I feel sorry about that, Mr. Chairman, but there was a conflict of interest situation and the Minister acted promptly.

HON. MR. STRACHAN: I'm sorry, too.

MR. McCLELLAND: I appreciate that, Mr. Minister. Nevertheless, there was a conflict of interest situation and I think it's highly important that we make sure that no other conflict of interest situation is allowed to happen in any Crown corporations, regardless of the magnitude of them.

Mr. Chairman, in replying again to me in *Hansard* the Minister told me that the preferred list of adjusters for out-of-province business was compiled for the Insurance Corp. of British Columbia by the Canadian Independent Adjusters' Conference around December, 1973, before Autoplan began operation. Then he also said Mr. Scrivener

did not join ICBC until July 1, 1974, which he has since corrected.

I find that highly unlikely as well, Mr. Chairman. I believe that that list was prepared in full after Mr. Scrivener joined ICBC. In fact, it's my information, Mr. Chairman, that Mr. Scrivener was largely responsible for the preparation of that list. He had contact with many adjusters with out-of-town connections at least four months after he started ICBC. The information I have, Mr. Chairman, is that the Canadian Independent Adjusters' Conference probably had nothing to do with the preparation of that list. In fact, there's a real possibility that the CIAC was most upset with the results of that list.

I know that there are companies on that list which aren't members of the Canadian Insurance Adjusters' Conference, and I find it, not impossible but difficult to accept that that association would include anyone on the list if they prepared it who wasn't a member of their association, particularly if there were members in the provinces involved.

Mr. Chairman, there is a lot of information that Mr. Scrivener was warned from senior officials at ICBC that including his own firms on the list would "raise eyebrows," but that Mr. Scrivener replied — and I only have this as hearsay — that he had cleared the matter with Mr. Bortnick, who had allegedly told him that he could keep his Saskatchewan interests. Is that true? If it is, Mr. Chairman, it's very clear that Mr. Scrivener, to a large degree, has become a scapegoat for the ineptitude of the management of ICBC.

The Minister has said to the press and Mr. Bortnick has said to the press that nobody at the top level of ICBC knew that Mr. Scrivener was still involved in his Saskatchewan firm. That's the most unlikely statement of all because Mr. Bortnick and Mr. Scrivener had a pre-existing relationship for many years in Saskatchewan. It was at the insistence of Mr. Bortnick that Mr. Scrivener came to work for ICBC. For anyone to say, including the Minister, that nobody at ICBC knew about Mr. Scrivener's continuing interest in his Saskatchewan operations is the hardest pill to swallow. I'll tell you, Mr. Chairman, that everybody in business in Vancouver knew — everybody! Yet you say that the top management at ICBC didn't know. If that's true, if they didn't know, they should all be fired because they don't know what they are doing and they haven't got their ears open, Mr. Chairman.

Regardless of the fact that Mr. Scrivener was in a conflict of interest situation and regardless of the fact that the Minister acted and acted properly in taking action, I think still there should be some humanness in the method by which we get rid of our senior officials. You know, we saw one senior official in the Education department fired by the Premier on television.

AN HON. MEMBER: Hear, hear!

MR. McCLELLAND: Mr. Bremer. Now if my information is correct, and I'm sure the Minister will tell me if. It isn't...but I'm told that on Monday, June 17, the Minister telephoned Mr. Scrivener at noon. Monday, June 16th? Well, whatever; it was on the Monday, anyway, the day that the Minister reported to this House. He telephoned Mr. Scrivener at noon, told him he had an hour and a half to resign or he'd be fired at 2 o'clock.

SOME HON. MEMBERS: Oh, oh!

MR. McCLELLAND: Now if that's correct, that's a pretty shabby way to treat anyone, regardless of the difficulty in which that person might have found himself. Pretty shabby. If that's true, Mr. Chairman, I think that even being fired

AN HON. MEMBER: He was very competent.

MR. McCLELLAND: Yes, a very competent man and well regarded, and he made a mistake and then the actions that were taken were correct. But if that's correct, if the Minister telephoned this person at noon and said that he's got an hour and a half to resign or he's out.... That's pretty shabby, pretty shabby, Mr. Chairman. Unfortunately, it seems to be indicative of the type of operation that we can expect because of the political interference in the Insurance Corp. of British Columbia.

I only have one further question, Mr. Chairman — and I realize here that you may not be able to answer this immediately — but it has to do with the awarding

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of adjusting rights, claims rights in the United States. Is it true that those rights were awarded by ICBC exclusively to one company called Underwriters Adjustment Co. Ltd., and, if so, were those rights put out to any kind of tender? How was that company chosen, and who made that choice? If you can't answer that question immediately I would accept an answer later, or whatever.

HON. MR. STRACHAN: Taking the last question first, I would have to check as to whether or not they've been awarded to one company. Certainly there was no political interference, and I had absolutely nothing whatever to do with it. I have no recollection of even having spoken to Mr. Scrivener personally on the Monday, none whatsoever.

AN HON. MEMBER: Is that a denial?

HON. MR. STRACHAN: I said I have no recollection of having spoken to Mr. Scrivener on the Monday.

MR. McCLELLAND: So you didn't? Or you just don't remember?

HON. MR. STRACHAN: What I told you with regard to the claims that went to D.A. Scrivener Adjusters Ltd. I think *Hansard* will show. I said that that is the information I have received in reports from Mr. Scrivener.

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: You're the Minister!

HON. MR. STRACHAN: Now I sat and listened to every word and accusation that Member has made. I ask you to give me the same privilege.

AN HON. MEMBER: Hang your hat on the evidence of a civil servant. Attack a civil servant.

HON. MR. STRACHAN: I told you that because of the strike it would be impossible to check it out and that I would do so as soon as possible. But *Hansard* will show I told you that that was the information I received from Mr. Scrivener's report to me that I had asked for the previous week.

You mentioned Mr. Margach leaving and the quote in what's his name's column. Mr. Margach is not leaving until August. He's leaving under amicable circumstances, and he's given two months' notice as he is still interested in ICBC operations.

You made reference to the documents processed. There were 2.5 million documents processed, and 80,000 documents remaining in error equals about 3 per cent. Now I want you to remember what an error is in relation to the computer. I'll bet there are at least six Members of this House who are sitting with a driver's licence in their pocket that has an erroneous address on it, because they forgot — there's one right there — to notify the motor vehicle branch that they have changed their address. So the computer rejects that as an error. That's the sort of thing that is....

Interjection.

HON. MR. STRACHAN: Is this your office address? I see.

But you see what happens? People forget, even though it says right on it, to notify the motor vehicle branch of a change of address. Well, so you don't notify them; so that's the address to which it's sent. Then that individual does get his application and he takes it to an agent, and the agent says: "Do you still live at the address?" The answer is no. Then he's got to make out an APB-9, which is classified as an error. If a name is mis-spelled by the individual

who's writing it down, that's an error. Now I hate to go into this because by inference it's being critical of the agent.

Interjection.

HON. MR. STRACHAN: Well, I'm only trying to describe the sort of thing that is regarded as an error. So it happens and we just have to catch up to it manually. But it's this sort of thing — the transposition of two figures, mis-spelling of a name, wrong addresses. All that is the sort of thing which, as I was saying, if you don't notify them, we've no way of knowing.

MR. H.D. DENT (Skeena): Mr. Chairman, I trust that I also have the right to speak in this debate.

I was very interested in the comments by the Hon. Member for Chilliwack (Mr. Schroeder). I have a great deal of respect for the Member for Chilliwack and I consider him one of my personal friends. I'm certainly not intending that anything I say is in any way a personal attack. However, I was just interested in his desire to put things on a businesslike basis. I would suggest that if he applied the principle of putting things on a businesslike basis to other things, it would change our whole way of doing things somewhat.

For example, maybe we could put the freeway through Chilliwack on a businesslike basis and have a toll gate at each end and charge for people to go through, and they could pay for the cost of the freeway. I don't know if he favours that or not.

Education: maybe we could turn education entirely back to private enterprise on a pass-as-you-go basis so that everyone who received the service would pay for the service and it would be done on a

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businesslike basis.

Hunting and fishing: maybe we could charge people for the game they shoot and the fish they catch and so on. And old-age pensioners: I think, if we're going to be businesslike, the old-age pensioners should be working for their old-age pension.

But I'm also puzzled why he doesn't favour the government measures to try and put the administration of our natural resources on a more businesslike basis by charging royalties. After all, that's the aim — to put it on a businesslike basis, to assume that the resources belong to the people of the province and that they are going to be sold to those who wish to develop them. Yet he opposes that measure, apparently.

Finally, being a man of some experience in the church, I'm sure he must have read the essay by Stephen Leacock on this subject. I would certainly commend it to him if he hasn't read it. If the good Lord was going to put things on a businesslike basis, he'd be charging us for the air we breath, for the water we drink, for every benefit that he provides us out of his bountiful grace. I'm sure he understands the meaning of the word "grace."

Also, if we ran the church on a businesslike basis we would charge a fixed fee for burials, marriages, baptisms, communions, et cetera. Again, it could be done. So I think he understands the principle. Some things are done in a businesslike way. Other things are done gratuitously. Some things are done as a cost to the total population and some are done at a cost to the people who are users. I can't understand why he has such a problem about wanting to soak the people in Powell River and Vancouver Island more money to get back and forth, I'm really puzzled, and I would ask for his explanation.

MR. PHILLIPS: Mr. Chairman, there are people in British Columbia tonight who cannot buy insurance coverage due to the policies of this Minister here. There are people tonight who can't buy insurance coverage on their homes. There are truck drivers who cannot buy insurance coverage. This man has ruined the insurance industry of British Columbia. When he says that the people are winning, the people are losing because of the policies of that Minister over there. He has ruined the insurance business. People lay in their beds tonight and their houses are uninsured because of the policies of that Minister.

MR. P.C. ROLSTON (Dewdney): Smile, you're on candid camera.

MR. PHILLIPS: Mr. Chairman, this Minister has brought insurance in this province into utter chaos. I say utter chaos. Utter chaos because of the policies of this Minister!

[Mr. Dent in the chair.]

The insurance business is in utter chaos tonight. Mr. Chairman, it's the policies of this government. The Department of Commercial Transport makes it mandatory, makes it absolutely mandatory that truck drivers carry flares in their trucks, and yet they're not able to get insurance coverage. I say that the policies of this Minister are leading the poor motorist of this province into complete disrepair. They can't get their vehicles repaired! when they do have them smashed up, and I say, Mr. Chairman, that people in this province tonight can't get insurance on their homes, can't get insurance on their vehicles because of the utter incompetence of that Minister running the Insurance Corp. of British Columbia.

MR. WALLACE: It's a little difficult, Mr. Chairman, to come back to some kind of rational debate after some of the goings-on tonight. I just want to say that I understood before supper that if I stopped talking on the Labour Code, we could debate the Minister of Transport and Communications for about one hour; and we've been here for two hours and 10 minutes.

MR. CURTIS: And who blew it?

MR. WALLACE: I'm not here to tell who blew it. I'm just here to say that we're still here. Once more, the kind of so-called agreements that are supposed to be worked out in this House to make it function have been a miserable failure all session, and perhaps on the last night it's sort of typical that this is the poorest example yet of any attempt to work out a functioning system in this Legislature.

For that reason anyway, I feel quite justified in breaking my commitment that I wouldn't take time to discuss the estimates of the Minister of Transport and Communications.

I am prepared to make the speech I intended to make earlier on. Don't ask me for cooperation in this House. No, don't ask me for cooperation. I've had it right up to my cars tonight. From here on in this House, Mr. Chairman, I'll conduct myself and the affairs of the party I represent in what I think is a fair and rational manner. Don't come to me and try to wheedle me into making deals. That's off from this night onwards.

I just want to talk a little bit about ICBC. We had an exchange between myself and the Minister last night in which he talked about false accusations that I had made about ICBC. I would like to take it from point No. 1.

In my understanding, when you operate a business — I think Charles Dickens had something to say about this — you have income and you have expenditures. When your income exceeds your expenditure by a

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pound or a dollar or a penny, you have happiness; when your expenditures exceeded your income by a pound or a dollar or a penny, you have misery. I don't know that that basic rule of economics has ever changed in the past one year or 10 years or 100 years.

When you operate an insurance company — whether I operate it, or Seaboard or the B.C. government — when the operating expense exceeds the revenue by \$34 million, I am not interested in all the semantics that you can dig out of the dictionary. That to me represents a financial loss. If I lose money in my business or in my private affairs, at the end of the year when it comes to pay the bill I have to borrow money to close that deficit. Whether you borrow the money from the taxpayers or the investor or anywhere else, it is not right to say that the accusations are false when this government has incurred a clear deficit in the first year of operation of ICBC. I won't bore the House by going through all the demonstration of the headlines in the 197 campaign of premiums that would be 20 per cent cheaper, the rip-offs of the private companies and all the other razzmatazz that we had from this government.

The fact is that ICBC has lost money. When you're in the red, when your expenditure exceeds your revenue, that gap has to be met from somewhere, whether it's in a government situation, a private situation or any other situation.

MR. G.H. ANDERSON (Kamloops): You can carry the debt.

MR. WALLACE: I can hear the Member for Kamloops saying that you can bury the debt.

MR. G.H. ANDERSON: Carry, not bury.

MR. WALLACE: You carry the debt to next year and sooner or later there's a day of reckoning. When costs exceed revenues, putting off the evil day to balance the budget sheet is no answer. The logical thing to do, Mr. Chairman, is to adjust the revenues to meet the expenditures. If the Minister is asking what we would do, we would bite the political bullet and we would make premiums adjusted to the level which would equate revenue with expenditures.

On ICBC this government has thrown the meaning of the word "insurance" right out the window. We no longer have accident frequency or involvement related to premiums. The only time that a person pays a penalty for damaging their car or someone else's car is when they commit an offence. There are all kinds of car damage incurred which do not involve an offence and demerit points.

MR. G.H. ANDERSON: That's the way it should be.

MR. WALLACE: Here again we have the Member for Kamloops saying: "That's the way it should be." In other words the 2 per cent of individual drivers in this province who previously had what was called "good driver rating" should subsidize the person who has one, two or three accidents a year. Is that justice, Mr. Chairman?

Interjections.

MR. WALLACE: The Member for Kamloops says that the principle of insurance should not be followed. The principle of insurance is that you pay a premium according to the kind of risk factor and the costs that might be involved in meeting that coverage. I have a driver in Oak Bay who has driven for 40 years without an accident, and his insurance premium this year has gone up 34 per cent after a 40-year experience of no accidents. I'll say to you, Mr. Chairman: does that make sense to you? Is that the reward for being a careful driver for 40 years that you have to pay 34 per cent more — to put more money in the kitty to pay for the careless driver who incurs all kinds of expenses to ICBC. Is that justice? Is that the principle of insurance?

AN HON. MEMBER: How old is he?

MR. WALLACE: I don't know how old the man is, but if he has been driving for 40 years, presumably he is 56, if he started driving when he was 16. But I don't really see how much that has to do with it. Really I think one should judge the whole principle of insurance against the relative risk related to the person paying the premium. That is why I am trying to get this government to look at non-smokers who don't cause fires that burn down hotels and lose lives.

HON. MR. STRACHAN: Give me a break.

MR. WALLACE: That's what insurance is all about, If the individual applying for the insurance is less of a risk to the insurer, this premium should be less.

AN HON. MEMBER: Right on!

AN HON. MEMBER: We've got a points system.

MR. WALLACE: Yes, I've heard about the points system. You can get points for some pretty simple shortcomings, some simple little slip of the mind or hand, and you get three points that cost no damage to the

vehicle. You do 40 miles an hour in a 30-mile speed limit, as I did in Richmond not too long ago, and you get three points.

It doesn't cost ICBC a nickel. But I can bring about hundreds and hundreds of dollars worth of

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damage to my car and get no demerit points at all, and my premium stays the same.

These are some of the points that I think should be aired in this debate, Mr. Chairman, because under the ICBC system, that very basic principle that your premium relates to the likely risk or the record of damage caused, has just gone out the window.

I have some correspondence here that the Minister has had with this particular constituent in Oak Bay, and I do feel that this man has a very valid argument, that if the cost of insurance is to be related to the risk, his is a very unusual experience that after a clear driving history of 40 years, he finds that his premium goes up by 34 per cent.

I want to talk for a few moments about the ferries. The Minister mentioned the figure of \$840 million from tourist revenue, and I agree with the Minister, that it must be very difficult to know whether it is \$840 or \$800 or \$900, depending on the formula used. But in terms specifically of tourist use of the ferry, I wonder if the Minister could tell me what the young ladies are doing who stand with a board in their hand and make notes as you drive off the ferry or tick off a sheet or take your licence number or whatever.

I had assumed, since they seemed to be looking at the licence plate of the vehicle driving off the ferry, that they were trying, perhaps, to determine the B.C. drivers and the non-B.C. drivers, or the island drivers and the non-island drivers.

At any rate, I wonder if the Minister could just give us some breakdown on the actual data which these young ladies are collecting as you drive off the ferries. I gather maybe the Minister for Travel Industry (Hon. Mr. Hall) is the responsible Minister.

The point I am trying to make is that much of the debate always revolves around the question of whether the person non-resident in the province should be contributing to the ferry service costs, perhaps to a greater degree than the resident of B.C. In the absence of federal subsidy. I wonder if the Minister could just touch on that, even though I realize perhaps the Travel Industry Minister is more responsible in this area.

Another point I'd like to ask is that one of my constituents has recently become employed as summer help in the ferry service, and it is my understanding that in terms of safety training and training to deal with emergencies, there seems to be no established programme for temporary summer help.

Now it seems to me that it was during the summer one year that we had a Russian freighter carve its way into the middle of one of our ferries. We had minimal loss of life on that occasion, but we've already had a debate in this House last year about the principle of the ferries being so close to land that you don't really need a lot of lifeboats and a lot of safety drill because within a very short time all kinds of help would be brought to a ferry in trouble.

I'm not sure that I buy that argument. Regardless of that particular argument, I wonder if the Minister could tell us what specific programmes there are in emergency drill and safety training for temporary help employed on the ferries during the summer months when there are an increased number of ferries and an increased number of passengers.

To return to ICBC, there have been press reports that there has been a considerable amount of suspected fraud, particularly again in relation to fire, in which motor vehicles appear to have been catching fire with increasing frequency, leading to the suspicion that these fires are of course set deliberately.

I wonder what the statistics are in round figures; I don't want it down to the last vehicle, but has the Minister

got figures to compare this year with last year, let us say, as to how many more claims were made for vehicles that are a write-off because of being completely destroyed by fire?

The Minister has stated that his department is carrying out some research by deliberately burning old vehicles to try and find out how fire accidents might be investigated. There are press reports that already the fraud involved has cost ICBC many dollars. I don't know to what degree the Minister can pin down the actual costs, but I think that there is sufficient concern aroused by the press reports that the public are wondering to what degree the taxpayer is being taken for many dollars dishonestly by fires that are deliberately set.

HON. MR. STRACHAN: With regard to comparison of fires this year compared to last year, of course last year was our first year of operation. We have just started this year, so we can't possibly have a comparison. There was a statement made by, I think, the chief of police in Vancouver and it was in the press, that last year there were many more fires in automobiles than there had been the previous year. The indication was some may have been deliberately set. At the request of the chief of police, ICBC stopped paying fire claims as rapidly as we had been. The chief of police said: give us a chance to check them out before you pay the claim. On that basis, we now don't pay a fire claim as rapidly as we had been until we get the all-clear from the police.

I think in every insurance operation, someone finds an opportunity for fraud. As we develop, we are very conscious of that fact. We are in the process of finding ways of checking out on that.

The number of foreign cars that go aboard the ferries — those girls are employed by the Travel Industry. They only do that during the summer season. I haven't got those figures with me.

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MR. WALLACE: Is that what they are actually doing?

HON. MR. STRACHAN: Of course, they are tourist guides too. They give tourist advice up on deck in the course of the voyage. People ask them....

MR. WALLACE: What's the basic reason they are there?

HON. MR. STRACHAN: When they are taking that down, that is where the car is from. That information is in the hands of the Minister of Travel Industry (Hon. Mr. Hall) because they are paid by the Minister of Travel Industry.

With regard to the little ruckus we had last night, you will recollect we were discussing the leasing of property in different ways and an inference that ICBC would be leasing property at a lower rate from....

AN HON. MEMBER: Could be.

HON. MR. STRACHAN: The point was that we have a five-year lease in our present quarters and we have already announced that we are going to build our own headquarters in New Westminster. That was why I perhaps reacted to what I thought was an accusation that this is what was going to happen. That was the reason for that.

With regard to the ferries, every ferry carries its full complement of people with lifeboat certificates. Every ferry must. No skipper will sail unless that ship has its full complement of crew with lifeboat certificates. Every person who is on for summer help is trained on board. Every so often there is lifeboat drill and so on. Every ferry has its full complement of crew with full lifeboat certificates.

MR. WALLACE: What about accident ratings? Premiums related to accident ratings?

HON. MR. STRACHAN: That is under discussion. It is not ruled out. That is certainly under discussion — a premium related to the number of accidents in which you are involved.

MR. L.A. WILLIAMS: I just have three brief questions for the Minister. Four months have not passed since

the beginning of the insurance licensing year, and I wonder if the Minister would advise the committee as to the reduction in premium income as a consequence of the reduction in premiums this year by reason of area differential. That is point No. 1.

Point No. 2. During the course of the debates in connection with British Columbia Rail, it was made clear to the House that British Columbia Rail's accounting procedures were being carried out in conformity with the requirements of the federal agency.

I would like to know whether the Minister can assure the committee that the auditing of ICBC is also being carried out in accordance with the requirements of the federal agency which heretofore concerned itself with the auditing of insurance companies carrying on business within British Columbia.

Is the Minister able to hear while he's rustling with his papers? Okay.

My third question. When will the Minister resign as president of ICBC? When will he depoliticize that Crown corporation? We have had event after event after event, which makes it perfectly clear that it is improper, almost indecent, for a Minister of the Crown to be president of a Crown corporation. We have had a clear example this evening of why this Minister should either resign from the cabinet, or from the presidency of ICBC, or perhaps both.

In connection with the question of the termination of Mr. Scrivener, it was suggested by the Hon. Member for Langley (Mr. McClelland) that the Minister had telephoned Mr. Scrivener on Monday, June 16, and given him one hour in which to resign, and the Minister got up and said to this committee, he had no recollection of phoning Mr. Scrivener on Monday, June 16.

Now here we have the Minister responsible for ICBC, the president of that corporation and the involvement of the firing on one hour's notice of one of the senior employees of ICBC, and he says: "I have no recollection."

That's equivocation of the highest degree. Either he recalls that he did, or he didn't phone him. How many times, I ask the Minister, does he fire a senior employee of ICBC on one hour's notice? How many times has he fired a senior employee whose name is Scrivener on one hour's notice? If he can't remember whether it was Monday, would he please advise us if on any day he phoned Mr. Scrivener and gave him one hour's notice, because the information that comes to me clearly indicates the chronology.

As late as Friday, June 13, Mr. Scrivener was advised by Mr. Bortnick that he was fully aware of the matter and there was nothing to worry about. On Sunday the 15th, he was again phoned by Mr. Bortnick and said: "Things aren't looking so good; there's been a 180 degree shift." And on Monday, the 16th, Mr. Scrivener was phoned by the Minister and given one hour to resign.

Now that's the chronology I have. Now if the dates are wrong, would the Minister please advise this committee. Did he phone Mr. Scrivener and did he give him one hour to resign? Before he took that step, did he ascertain, from Mr. Bortnick whether or not Mr. Bortnick had full knowledge of the circumstances? Because we have here, Mr. Chairman, the clearest indication of either a forthcoming convenient,

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provident settlement to Mr. Scrivener on his termination, or another lawsuit for ICBC.

This is what is wrong with the Minister of the Crown being in the position of the senior officer of a Crown corporation. He becomes involved in matters which are none of his business. If he is president of ICBC, he should be president on a full-time basis. If he has to divide his responsibilities between ICBC and a department of government, he should choose between the two.

I suggest to you, Mr. Chairman, that the same thing applies to ICBC as to B.C. Rail. Members of the cabinet must get out of executive positions in that Crown corporation, immediately. Otherwise, we will continue to have

problems. We will continue to have equivocation. We will continue to have an operation resulting from political interference in a Crown corporation. We will continue to have situations where the Minister says that no government money has gone into ICBC ' but another Minister says that ICBC is being subsidized.

It's quite clear what is happening. Mr. Fotheringham in his column tonight pointed out, ICBC is a political football, and this Minister is out to lunch.

HON. MR. STRACHAN: I'll ignore the tenor of that Member's remarks. Four months' reduction in premium about \$35 million expected this year.

In regard to accounting practices I refer him to page 20 of the annual report, which I have already read into the record of this House. The federal Act does not apply to insurance companies dealing only in this province. The court case which found this to be true is presently under appeal.

With regard to Mr. Scrivener, I repeat: I have no recollection of talking to Mr. Scrivener on Monday; I spoke to him on Friday. Today I received a letter from Mr. Scrivener's lawyers, so I'm not prepared to say anything more about it at the present time.

A Minister becomes involved in things that are not his business — well, that happens, but certainly I've listened very carefully to the Member's statement about a Member of this House being president of the company, and I certainly take it to heart and will not say he is wrong.

MR. L.A. WILLIAMS: I said to you, Mr. Chairman, that in the course of the debate on B.C. Rail, it was pointed out that the auditing of B.C. Rail was made to conform with federal requirements, even though that was not required by law, I ask the Minister whether or not it is the intention of ICBC to make its auditing requirements conform to federal law, as would be applicable to other insurance companies, or whether he is going to continue as in the past.

HON. MR. STRACHAN: Mr. Chairman, I refer the Member to page 20 of the annual report. It is our intention to continue. I'll read it to you — perhaps you weren't here the last time I read it into the records of this House. Perhaps you haven't read the report.

MR. L.A. WILLIAMS: I've read it.

HON. MR. STRACHAN:

"For the first time the financial statements of the corporation are presented in accordance with the generally accepted accounting principles. In this respect, the reporting conforms to that suggested in a 1974 research study of the Canadian Institute of Chartered Accountants. Not all property and casualty insurance companies in Canada report on this basis. It is our intention to continue to report on the basis of that research study of the Canadian Institute of Chartered Accountants."

MR. L.A. WILLIAMS: That answers the question, thank you.

MR. D.A. ANDERSON: Mr. Chairman, a very brief comment about a matter that I feel is most important. The question is that of the Scrivener firing. As the Provincial Secretary (Hon. Mr. Hall) knows well, he and I have discussed, and other Members have discussed, the question of political hiring and the question of political firing.

The Provincial Secretary will remember when the public service legislation was before him how I argued in favour of having people who had been hired for political reasons but who happened to be competent, being placed in the regular public service list.

Mr. Chairman, the other side of that I believe most strongly that people should not be fired for political reasons if they happen to be competent and if there happens to be no conflict of interest. I don't feel that people should be fired to suit political convenience.

AN HON. MEMBER: Hear, hear!

MR. D.A. ANDERSON: Competence is the key, and I think no one has denied the competence of Mr. Scrivener. Indeed, when it was mentioned earlier tonight, everyone, from all corners of the room, chipped in to say he was one of the best. I think that is one thing I'd like to read into the records: Scrivener is a competent person, and no one has denied that.

We then come to the question of conflict of interest. This is a valid reason for firing anyone, competent or otherwise, but the question is: has the Minister evidence of a real conflict of interest? Has Scrivener profited by \$1? We have had no

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information on this. I, as a Member, have listened but I've heard no real information as to whether Scrivener profited by \$1 from his position as a vice-president of ICBC, in terms of the one company he apparently held in Saskatchewan, namely D.A. Scrivener Co. Ltd., which Scrivener described as a holding company in no way connected with the insurance business, as all his insurance business and assets had been sold to another company. So has there been a conflict of interest? So far I have not seen any proof or evidence put forward in this House.

Mr. Chairman, I have no wish to speak longer than just three minutes on this subject, but we're dealing here with an increasing problem of use of legislative privilege in a way that simply leads to lawsuits as people feel their rights have been abused. The number of lawsuits is now extensive, right from the Bremer firing, the Knight problem, and Broadbent mentioned a lawsuit, too. Now we're into a lawsuit, apparently, with Scrivener's lawyers writing to the Minister.

I do feel a time has come for us to make sure that when things are said in this House about individuals outside, they are backed up with information which is factual and that we can count on the truth and validity of what is said. Because there have been far too many charges — be it of Swanson, be it of Scrivener, be it of Brunsdon, be it of many other people, Bremer and others — which have simply been shown to be shallowly based, or indeed, inaccurate.

So my question to the Minister is this: what information can he present to us tonight on Scrivener's association with D.A. Scrivener Adjusters Ltd.? How is it that D.A. Scrivener Adjusters Ltd., in actual fact, profits Mr. Scrivener in terms of his relationship with ICBC?

HON. MR. STRACHAN: As I indicated earlier, today I received a letter from Mr. Scrivener's lawyer. I have the documents I requested of Mr. Scrivener. It was on the basis of those documents and the memorandum that was sent to every employee of ICBC on March 5 that I made the decision. I would ask the House to let it rest at that. In my opinion, I did what I thought was right. As I say, all the documents that I asked him to produce, he produced.

MR. D.A. ANDERSON: Well, are these documents going to be tabled? I still think that we are dealing with what may well be a political firing; not for beliefs but for convenience.

HON. MR. STRACHAN: We'll consider that. Certainly I want to be fair to everybody, and I'll certainly consider that.

Vote 250 approved.

Vote 251: general administration, \$715,559 — approved.

Vote 252: engineering branch, \$489,185 — approved.

Vote 253: weigh scale branch, \$2,323,286 — approved.

Vote 254: motor-vehicle branch, \$10,956,817 — approved.

Vote 255: motor carrier branch, \$833,959 — approved.

Vote 256: data processing centre, \$6,402,213 — approved.

On vote 257: communications branch, \$11,313,139.

MR. WALLACE: Mr. Chairman, just a very brief question. I notice in this communications branch vote there's a summation of items adding up to about \$4.5 million, and which were not listed in items last year. Could we just have a quick statement as to what this represents, or what these particular items are to be used for? Radio systems, \$2.7 million; teleprinter systems, auxiliary communications systems, grants, subsidies and assistance, \$900,000. Large items which were not listed in the expenses last year.

HON. MR. STRACHAN: The \$2,700,000 is for the joint ambulance-sheriff's communication system that we're installing and developing, and rationalizing the system. The data and teleprinter systems and the next one...we're rationalizing the four different kinds of teleprinter systems that up until now were only able to be utilized between different branches of the same department. We're now producing a central system, a central clearing house so that every office in some provincial building can contact another office. It's something that I found — that there were different kinds of systems. The grants, subsidies and assistance to communication development....

MR. WALLACE: That's \$900,000.

HON. MR. STRACHAN: Yes. This is cables and rebroadcasting in the northern systems, filling in the CBC. This is to provide facilities for communications in the north for filling in the CBC programmes.

MR. WALLACE: Is that shared cost?

HON. MR. STRACHAN: That is a shared cost.

MR. WALLACE: Fifty-fifty?

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HON. MR. STRACHAN: CBC has an accelerated coverage programme which tries to take it to communities of 500 — down to 500. With this money we are simply going to try to fill in the blanks in the other smaller communities.

Vote 257 approved.

Vote 258: British Columbia Ferries, \$102,660,000 — approved.

Vote 259: motor carrier commission, \$244,187 — approved.

Vote 260: aircraft maintenance and operation, \$1,680,000 — approved.

Vote 261: research and planning branch, \$677,898 — approved.

Vote 262: salary contingencies, \$5,571,859 — approved.

ESTIMATES: LEGISLATION

On vote 1: legislation, \$31,114,340.

MR. WALLACE: Mr. Chairman, this vote tends to get glossed over very quickly because we usually finish up in this situation and everybody's trying to get the session ended. I just want to make some very brief comments.

I'm interested as to the follow-up, if any, on the committee discussions we had last session about the whole rearrangement of office space, the new dining room and the whole reorganization of facilities which we discussed in committee, and about which there has been no discussion whatever, or consultation that I am aware of, with the

Members during our present sitting.

Perhaps we could hear just exactly where these plans are at and whether or not there has been any particular decision to continue with them or not. The present dining room is relatively inadequate and the furniture looks like it came out of the ark. I just feel that with the kind of desirable changes which have occurred elsewhere in the building — we hear the total cost of renovating the building will be \$6 million — I wonder when some of that money might be spent on the dining room. I know you can't create space out of nothing but, as I say, compared to many of the other furnishings in the buildings, the furniture in the dining room is really a disgrace.

I want to say that for my part I am very appreciative of the office facilities and the services made available to the Members — to myself, at least — by the Pages and by the security staff. I think they do an excellent and a first-rate job. Too often, as I say, at the last minute when the session is ending or the sitting is ending, we all leave these precincts and overlook the tremendous way in which these many members of the parliament buildings staff serve us.

I don't think we should overlook either the tremendous help we get from the Hansard staff. It's not too long ago that we didn't have a *Hansard*. Within a very short time I think each and every one of us has become aware of the additional detail that we can devote to our duties as debaters in this House. If I have to pick the specific incidents, it's the number of times each and every one of us bases our point of view in debate on the Blues or what is recorded in the early transcript.

I think that the ladies who sit in the box in one corner of the chamber, while they may not always be impressed by some of the rhetoric which we all produce in this House, myself included.... I think their commitment to the job and their standard of performance has been outstanding. I personally, and I hope all of the House, would record their appreciation.

AN HON. MEMBER: Hear, hear!

MR. CURTIS: Mr. Chairman, I had intended and want to speak about Hansard and to comment very briefly on their excellent service, impartiality, skill and objectivity when it becomes very tough — when the pressure is on.

We were discussing during the estimates of the Hon. Provincial Secretary (Hon. Mr. Hall) the question of the distribution of *Hansard*. The Second Member for Victoria (Mr. D.A. Anderson) spoke about the subscription fee; I don't want to canvass that. But I am concerned about the apparent delay, Mr. Chairman, in the delivery of the final printed *Hansard* to subscribers. I don't believe the problem lies with the Hansard office, but rather perhaps in connection with the amount of work — the volume that is undertaken — by the Queen's Printer.

All sorts of gestures and so on will not intimidate me on this point either.

It seems unfortunate, Mr. Chairman, that we have rapid service with the Blues, we have an excellent final printed *Hansard*, but there is a delay. Hopefully this could be investigated by the Hon. Provincial Secretary's office and the Speaker's office and the Queen's Printer to get the printed version out more rapidly to those who subscribe and look forward to receiving it as soon as possible.

HON. MR. HALL: He either does that or he doesn't get that \$10 you were talking about earlier. (Laughter.)

MR. D.A. ANDERSON: On vote 1, Mr. Chairman. First, the question of *Hansard*. *Hansard* in terms of

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cost has almost no distribution. That's a shocking situation. A few dollars spent in subsidizing *Hansard* in making sure it is got out to more people would be an enormously good investment in terms of the overall cost of *Hansard* itself.

AN HON. MEMBER: Hear, hear!

MR. D.A. ANDERSON: I spoke to the Provincial Secretary. He has marked it down; he is going to make

sure that happens.

The other question is security staff of the buildings. If people resign, will replacements be rehired, or has the freeze resulted in no rehiring of security staff if people do resign? I'd like that question answered if I could.

Another question is on this caucus staff travel expense, which is a new vote here — 202. I wonder if we could hear what this is for. Apart from that, as this may be my last opportunity for speaking — presuming the questions are answered correctly — I would like to associate myself with the remarks made about the Hansard staff, the security staff and all the other officers of the House, who have done a remarkably fine job.

MR. L.A. WILLIAMS: Mr. Chairman, we have a new vote under expenses called the legislative intern programme. I feel that I have been interned here for many months and I want to know how I'll get my share of that \$22,000 that the Provincial Secretary... (Laughter.) I thought you were interned during the war! While we have the odd little bit of warfare, I want to be part of this programme, to the Provincial Secretary, and I thank him very much.

MR. CHAIRMAN: The Hon. Speaker. I might point out that the Hon. Speaker is entitled to speak.

MR. SPEAKER: As usual the Hon. Member for Columbia River (Mr. Chabot) is in error. (Laughter.) I don't propose, however, to indulge in any partisan debate, but I would refer the Hon. Member for Columbia River to the 16th edition of *May*, page 56, which says that the Speaker is entitled to say a few words.

MR. CHABOT: Where from?

MR. SPEAKER: The nearest microphone he can find. (Laughter.)

I would say to the Hon. Member that I want to thank the Hon. Member and the House for the kind words about the Hansard staff. They do a great job. Our great problem is to translate the Blues into the printed final version, and then have the problem of getting it delivered by the post office at an immediate time that will help.

The security staff is divided between two departments at the present time, because for a long time in this House it was partly a government building. It is becoming more and more a legislative building. It is my hope that we can reduce the number on the security staff when there is some reconciliation between the two departments.

On the question of caucus travel, the assistants that each caucus have working for them, research assistants: it was felt by our department that it should include the research assistants going with their leaders when they are on trips, to a stated amount, and it will be worked out fairly between each caucus staff to see that they are entitled to go with their leader when they travel.

On the question of the restaurant, that matter of the dining room, I have a further suggestion. This is probably the last chance I will have to speak in committee. I want to suggest to the Hon. Members that it would be useful if a committee of the House dealt with these matters that deal with legislation each year and put their recommendations to the House, as they do in Ottawa and as they do in Westminster.

I think it is improper, if I may say so, for a government Member — that is, a Member of the cabinet — to be defending the office of the Speaker, because I don't believe that that should be the case in this House.

I believe that the Speaker is the servant of the House and certainly not of the government.

AN HON. MEMBER: Hear, hear!

HON. MRS. DAILLY: Mr. Chairman, just before this vote goes, I would like to say that the government certainly endorses the words of praise and compliment paid to the staff, *Hansard*, the Pages, and the others who work here. In regard to the Pages — and why I particularly want to speak on this — just before the House closed this evening I received a note from squad A, the Pages; they wanted me to ensure that I made the point that it was squad A. "Mrs. Dailly, do you think it would be possible for you to stand up near the end of the House and thank all the Members on our behalf for their tips and their thoughtfulness."

Vote 1 approved.

HON. MRS. DAILLY: Mr. Chairman, schedule A.

Schedule A approved.

HON. D. D. STUPICH (Minister of Agriculture): Mr. Chairman, I move the committee rise and report resolution.

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Motion approved.

The House resumed; Mr. Speaker in the chair.

MR. CHAIRMAN: Mr. Speaker, the committee reports resolution.

MR. SPEAKER: Thank you, Mr. Chairman. When shall the report be considered?

HON. MR. STUPICH: Motion 1, Mr. Speaker. I move that the rules be suspended and the reports of resolutions from the Committee of Supply on March 25; April 7, 8, 9 and 29; May 1, 2, 6, 7, 8, 9, 13, 14, 15, 26, 27, 28, 29; June 4, 5, 9, 10, 11, 12, 18, 20, 24, 25 and 26 be now received and taken as read.

Motion approved.

HON. MR. STUPICH: Motion 2, Mr. Speaker. I move that the rules be suspended and the resolutions from the Committee of Supply be now read a second time, taken as read and agreed to.

Motion approved.

HON. MR. STUPICH: Motion 3, Mr. Speaker. Mr. Speaker, I move that you do now leave the chair for the House to go into Committee of Ways and Means.

Motion approved.

The House in Committee of Ways and Means; Mr. Dent in the chair.

HON. MR. STUPICH: Motion 4, Mr. Chairman, that towards making good the supply granted to Her Majesty for the public service of the province, there be granted from and out of the consolidated revenue fund the following:

1. \$52,331,153 to make good certain sums expended for the fiscal year ended the 31st day of March, 1974.
2. \$3,222,673,687 towards defraying the several charges and expenses for the fiscal year ended the 31st day of March 1976, such sum to include that authorized to be paid under section I of the Supply Act No. 1, 1975, and the Supply Act No. 2, 1975.

Motion approved.

The House resumed; Mr. Speaker in the chair.

MR. CHAIRMAN: Mr. Speaker, the committee reports resolution.

MR. SPEAKER: Thank you, Mr. Chairman. The committee reports the resolution that towards making good the supply granted to Her Majesty for the public service of the province, there be granted from the consolidated revenue fund the following: \$52,331,153 to make good certain sums expended for the fiscal year ended the 31st day of March, 1974. Secondly, \$3,222,673,687 towards defraying the several charges and expenses for the fiscal year

ending the 31st day of March, 1976, such sum to include that authorized to be paid under section one of the Supply Act No. 1, 1975 and Supply Act No. 2, 1975.

HON. MR. STUPICH: Mr. Speaker, I move that the resolution now be read a second time, taken as read and agreed to.

Motion approved.

HON. MR. STUPICH: Mr. Speaker, Motion 5. I beg leave to introduce Bill 131, intituled Supply Act No. 3, 1975.

Leave granted.

HON. MR. STUPICH: Mr. Speaker, I move that the said bill be referred to Committee of the Whole House forthwith.

Motion approved.

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The House in committee on Bill 131, Mr. Dent in the chair.

HON. MR. STUPICH: I presented the bill, Mr. Chairman. While the bill is being distributed, do I have leave to proceed?

SOME HON. MEMBERS: Aye.

HON. MR. STUPICH: Mr. Chairman, I move the committee rise and report to the House recommending the introduction of Bill 131.

Motion approved.

The House resumed, Mr. Speaker in the chair.

MR. CHAIRMAN: Mr. Speaker, the committee reports recommending the introduction of Bill 131.

MR. SPEAKER: The committee reports recommending introduction of the bill.

HON. MR. STUPICH: Mr. Speaker, I move that the report be adopted.

Motion approved.

HON. MR. STUPICH: Mr. Speaker, I move that the bill be introduced and read a first time now.

Motion approved.

HON. MR. STUPICH: Mr. Speaker, I move that by leave of the House, the rules be suspended and the bill be read a second time now.

Leave granted.

MR. SPEAKER: The motion is that by leave of the House, the bill be read a second time now.

Motion approved.

HON. MR. STUPICH: Mr. Speaker, by leave of the House, I move that the rules be suspended and the bill be referred to Committee of the Whole House to be considered forthwith.

Leave granted.

MR. SPEAKER: The motion is that the rules be suspended and the bill be referred to Committee of the Whole House to be considered forthwith.

Motion approved.

The House in committee on Bill 131, Mr. Dent in the chair.

Sections 1 to 5 inclusive approved.

Schedule A approved.

Schedule B approved.

Preamble approved.

Title approved.

HON. MR. STUPICH: Mr. Chairman, I move the committee rise and report the bill complete without amendments.

Motion approved.

The House resumed, Mr. Speaker in the chair.

Bill 131, Supply Act No. 3, 1975, reported complete without amendments, read a third time and passed.

HON. MRS. DAILLY: Mr. Speaker, I would ask permission of the House to go to motions, and I would like to proceed with calling motion 14.

Leave granted.

Motions.

MR. C.S. GABELMANN (North Vancouver–Seymour): I move motion 14 standing in my name.

MR. SPEAKER: Perhaps I should read out the resolution: "That the report of the Select Standing Committee on Labour and Justice presented to the Legislature on April 10, 1975, be adopted." That is the motion before the House.

MR. SMITH: I don't intend to prolong the debate this evening. I did make the points that I wish to make, I think, this afternoon in debate on a bill that was before us prior to the time that we adopted the report. I think that says quite a bit inasmuch as reports are generally adopted, or debated at least, before the bills that refer to them come before the House.

But the points I wanted to make, I made this afternoon. I am not going to prolong the debate this evening. I am glad that the Chairman of the committee felt obligated, even at this late hour, to have the debate called. Even though it is a little bit late, at least it is still parliamentary.

MR. GABELMANN: Thank you.

Motion approved.

HON. MRS. DAILLY: I would like now if we could have a very short recess to await the arrival of His Honour the Lieutenant-Governor.

MR. SPEAKER: I declare a short recess and ask the Hon. Members to return on the ringing of the bell.

The House took recess at 11:11 p.m.

The House resumed at 11:24 p.m.

MR. SPEAKER: His Honour the Lieutenant-Governor is approaching. Would all persons please rise?

His Honour the Lieutenant-Governor entered the chamber and took his place in the chair.

MR. CLERK:

Limitations Act

Royal Roads Military College Degrees Act School

Tax Removal and Resource Grant Act

Attorney-General Statutes Amendment Act, 1975

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Public Schools Amendment Act, 1975

Labour Code of British Columbia Amendment Act, 1975

Savings and Trust Corporation of British Columbia Act

Coroners Act

Liquor Distribution Act

Islands Trust Amendment Act, I §75

Liquor Control and Licensing Act

Provincial Court Act

Income Tax Amendment Act, 1975

Health Statutes Amendment Act, 1975

Municipal Amendment Act, 1975

Renters Resource Grant Act Amendment Act, 1975

Workers' Compensation Amendment Act, 1975

Municipalities Aid Amendment Act, 1975

Petroleum and Natural Gas Amendment Act, 1975

Motor-vehicle Amendment Act, 1975

Natural Gas Revenue Sharing Act

Public Service Superannuation Amendment Act, 1975

Municipal Superannuation Amendment Act, 1975

Teachers' Pensions Amendment Act, 1975

College Pension Amendment Act, 1975

Public Services Medical Plan Amendment Act, 1975

Public Service Group Insurance Amendment Act, 1975

Mining Tax Amendment Act, 1975

Mines Regulation Amendment Act, 1975

Department of Lands, Forests and Water Resources Amendment Act, 1975

British Columbia Payment to Canada of Federal Income on behalf of Natural Gas Producers Act

Resort Municipality of Whistler Act

Public Service Labour Relations Amendment Act, 1975

Public Service Amendment Act, 1975

Strata Titles Amendment Act, 1975

Miscellaneous Statutes Amendment Act, 1975

Supply Act No. 3, 1975

DEPUTY CLERK: In Her Majesty's name, His Honour the Lieutenant-Governor doth thank Her Majesty's loyal subjects, accept their benevolence, and doth assent to these bills.

His Honour the Lieutenant-Governor retired from the chamber.

HON. MRS. DAILLY: Mr. Speaker, I move that the House at its rising do stand adjourned until it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House shall meet.

Mr. Speaker may give notice that he is so satisfied and thereupon the House shall meet at the time stated in such notice and shall transact its business as if it had been duly adjourned to that time.

And that in the event of Mr. Speaker being unable to act owing to illness or other cause, the Deputy Speaker shall act in his stead for the purpose of this order.

Motion approved.

Presenting reports.

Hon. Mr. Hall presents a manuscript form of the departmental report.

Hon. Mrs. Dailly moves adjournment of the House.

Motion approved.

The House adjourned at 11:30 p.m.

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