

mentions inflation rules governing 17 Crown corporations. Most of those corporations provide services, as ICBC does. There is ample precedent in the Province of Ontario. We hear, for example, that Ontario hydro rates now are under AIB guidelines.

It seems passing strange that two things have not happened. First, Mr. Pepin, of the Anti-Inflation Board, has not said anything publicly about ICBC rates. He was quick to interfere with teacher negotiations in Ontario, but strangely slow about speaking of the insurance rates in British Columbia. He was strangely silent, even though a consulting actuary to the Crown corporation said that ICBC rates in British Columbia are unnecessarily high. He said that the corporation is adopting the most pessimistic view on the basis of past experience, and charging unnecessarily high rates. Surely the AIB ought to control the rates charged by the corporation in British Columbia, rates which are unnecessarily high.

Consider the human implications of the high rates. For example, a driver under 25 years old of a 1974 Ford Fairland will pay, even though he has not been involved in any accidents, between \$315 and \$1,102. Such a young driver will, typically, very likely be employed in one of our local industries, say a mill. His wages have been frozen but he is asked to pay one-tenth of his salary for car insurance. When he turns to his shop steward and asks what is to happen to his wages the answer will be, "I'm sorry, the federal government froze your wages." So far the government has done nothing to bring ICBC rates within anti-inflation guidelines. Is it any wonder little consensus has developed on the federal government's program? The sooner the government recognizes that there are poor people in this country who are not prepared to fight inflation alone but want the rest of the community to participate in that fight, the sooner it will have some chance of seeing that program obtain some success.

● (2250)

I will resume my seat in the hope that some positive statement may come forward from the government that in fact it does favour ICBC rates being placed under the anti-inflation program so that they can make a judgment that they represent not merely the federal presence, but individuals in the province of British Columbia, many of whom placed their faith in the government in the last election. I hope that faith was not misplaced in terms of its attitude toward inflation.

#### *Adjournment Debate*

I would welcome from the parliamentary secretary a positive statement that now we can see that ICBC rates will come under the anti-inflation guidelines, regardless of the position taken by the province of British Columbia.

**Mr. Jacques-L. Trudel (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, in reply to the issue of whether or not the Insurance Corporation of British Columbia, known as ICBC, will be specifically covered by a Canada-B.C. agreement on the anti-inflation program, I would note that we have made it clear to the provinces that we would, of course, be quite prepared to discuss the inclusion of provincial agencies under such an agreement. The procedure that has been followed with provinces that have signed an agreement has been to annex to any memorandum of agreement a specific schedule listing such government bodies that are to be covered. The final decision on which bodies will be covered by the agreement remains with the provinces.

Where pricing for government services is concerned, the federal government and provinces have agreed, as a matter of broad principle, to follow the guidelines in the pricing of particular goods and services to the extent possible except where otherwise required to meet fiscal policy and program management needs and objectives. It remains the responsibility of the government of British Columbia to determine where these considerations might call for a departure from the strict application of the guidelines in certain circumstances.

With respect to the specific concern on the Insurance Corporation of British Columbia's proposed rate increase, we are given to understand that ICBC incurred a substantial deficit in the fiscal year 1974-75 and it is estimated that it will continue to do so in the fiscal year 1975-76. The proposed rate increase reported in the press has apparently been based on the reports of independent actuaries who have examined ICBC accounts and is designed, I understand, to put ICBC on a break-even basis for this year's operations. Hon. members are aware that the application of the guidelines to the private sector does not require a company to operate at a loss, and the Anti-Inflation Board will permit increases in prices from a loss position to enable a company to reach a break-even point.

Finally, I would also wish to note that, until the government of British Columbia signs an agreement with the federal government, none of the provincial public sector in that province would be covered under the anti-inflation program.

Motion agreed to and the House adjourned at 10.55 p.m.