

Ordered by S. J. Mac Gillivray

Legislation - Bills



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**VERBATIM REPORT**

FRIDAY, APRIL 5, 1974

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

It is a pleasure for me to welcome to the galleries today from North West River, Labrador, Mayor Tredway Baikie, Deputy Mayor Ronald Watts, and Tony Penashue, councillor Tony Penashue. On behalf of all honourable members I indeed welcome you to the galleries today.

X  
MR. F. STAGG: Mr. Speaker, I rise on a matter of personal privilege and on a matter of the privileges of this House. It refers to comments made by the honourable the member for St. Barbe North on the radio station CJon this morning when he indicated that the House Leader and I had conspired, had in fact admitted to conspiring and plotting to stifle debate in this House.

Mr. Speaker, the full contents of that comment I do not recall nor do I have the tapes with me. I ask that the full contents of that radio report be demanded by Your Honour, brought before this House. In my estimation they constitute a breach of privilege of this member, of the Minister without Portfolio and indeed a strong and one of the worse breaches of privilege of this House that I have heard since I have been a member.

Mr. Speaker, my own capacity as Deputy Speaker is one that demands impartiality. It demands impartiality both in this House and outside insofar as my conduct as Deputy Speaker. The honourable the member for St. Barbe North is attempting in my estimation to beat the public airways in an attempt to either break my morale or to make it impossible for me to conduct business in this House. In fact, the honourable member for St. Barbe North may be attempting to avoid my being impartial, to make it impossible for me to be impartial.

I have always attempted to be so. His comments are the grossest insult that I have ever experienced and I ask that these tapes be brought before this House and the honourable member be dealt with in a way that is deemed appropriate by this House.

HON. E. ROBERTS (LEADER OF THE OPPOSITION): Mr. Speaker, if I may, the first point I would make, Sir, is that the gentleman from Port au Port has made no point of privilege in his submission, not even a prima facie case.

Secondly, the unvarying and invariable practice of this House has been that when an honourable member complains about a point of privilege he is responsible for getting the information whether it be a newspaper or a tape recording or in the more usual cases a transcript of the remarks, as did the gentleman from St. Barbe North the other day. The radio stations, in my experience, have always been ready to make available a transcript of the remarks.

So, for two reasons I submit there is no point of privilege. First of all, he has not made out one. He has just made a statement that there is a breach of privilege. There is no evidence to support it. Secondly, even if there be evidence, he has not produced it. So, I think the matter must fall right there. If the gentleman from Port au Port should care to do it in the proper way, for our part we would be delighted to hear him present his case and then delighted to take the matter from there according to the rules of parliament.

I submit now he has done nothing on which even Your Honour can rule. He has not even made a prima facie case, Sir.

HON. W. MARSHALL (MINISTER WITHOUT PORTFOLIO): Mr. Speaker, on this point of privilege. The honourable the member for Port au Port has done exactly what is required under the rules. He has brought up a matter of breach of privilege, personal privilege and privilege of the House at the earliest possible opportunity. He has requested that the tapes be brought before the House for examination. This is obviously as far as he can go at this particular time since the newscast in question occurred around about twelve o'clock today.

He is absolutely and entirely in order and as a matter of fact would have lost his opportunity to bring this point of privilege before the House had he not risen in his place and brought it before the House right now.

MR. SPEAKER: I shall have to take the matter under advisement. I do think that if the House instruct me, I certainly shall request that the tapes be brought to me.

X On the other hand, if the honourable member from Port au Port wish to acquire the tapes from the radio station concerned and bring them to me, then I shall certainly listen to them and after doing that and considering what the honourable member and all honourable members have said to this matter, I shall then make a ruling on it.

MR. SPEAKER: The Hon. Minister of Tourism.

HON. T. M. DOYLE (MINISTER OF TOURISM): Mr. Speaker, the recent Speech from the Throne stated that the conservation and management of our wildlife resources is a matter of special concern to this government. Stocks of wildlife are being seriously depleted and consequently the Wildlife Division of the Department of Tourism is to be enlarged; wardens will be more adequately trained and equipped and stiffer penalties for infringement of wildlife regulations will be instituted. In addition, a completely new system of issuing hunting licences will be instituted. The control and management of all wildlife species will be intensified.

The new programme includes a major expansion and reorganization of the enforcement unit; an enlarged research - management programme and the addition of a new unit of information and education. Details of the new wildlife policies are as follows:

(1) Enforcement;

Newfoundland and Labrador will be divided into four major regions which will be comprised of thirty enforcement districts. Additional wardens will be hired to staff all districts and supervisors will be hired for each region. They will work under a Chief of Protection who will head that branch. Increased emphasis will be placed on adequately equipping the enforcement staff to cope with modern day enforcement problems. This will include more extensive use of helicopter control and two-way radio communication.

(2) Research and Management:

This branch will be expanded to include the hiring of a Fisheries Biologist and the establishment of a unit to deal with the non-consumptive use of wildlife. The Fisheries Biologist will act as a liaison between the Wildlife Division and the Fisheries Branch of the Department of the Environment. The non-game unit will be responsible for the management of a variety of wildlife areas including wilderness areas, wild rivers, ecological areas, primitive areas and wildlife parks. This will be a major change

in the wildlife policy of this province, in that much greater emphasis will be placed on the management of the resource for the many thousands of Newfoundlanders (as well as visitors), who wish to derive benefits from our wildlife resource through activities other than hunting and fishing and such as photography. Additional research staff will be engaged to expand existing research programmes and implement new programmes to manage the resource for maximum sustained benefits.

(3) Information and Education:

The functions of this new unit are to provide in-service training for enforcement officers to conduct a provincewide hunter safety training programme; set up a conservation education programme for the general public; establish a guides training programme and a trapper training programme. The Department is very conscious of the need for highly trained individuals in the field of wildlife management as well as protection and the fact that and inform public is our greatest ally.

(4) Licencing Big Game:

The major changes in the 1974, Big Game Licencing Policy are as follows: (1) Wildlife licencing will be handled by computers. This will necessitate the introduction of a new application form. These forms will be distributed throughout the province in the next few weeks. They will be available from Wildlife Offices, the Forestry Offices, R.C.M.P. Offices and all Post Offices throughout the province. (2) The moose licence ratio between resident and non-resident will not change from last year. Eighty-five per cent of the licences will be set aside for residents and fifteen per cent for non-residents. The caribou licence ratio will be seventy-five per cent resident and twenty-five per cent non-resident. This is an increase of ten per cent in favour of residents over the 1973 ratio. It is our intention to maintain these ratios in the future unless there is a drastic change in our game population. No non-resident big game hunting

will be authorized in any area having a licence quota of one-hundred or less.

(c) The fee structure for 1974 is as follows: I will give last year's for comparative purposes. First of all for residents there is no change whatsoever. The resident fee for caribou and moose this year would be \$15.00 which is the same as



last year and for black bear \$5.00, which is the same as last year. Non-resident, Canadian, caribou, this year \$300.00, last year \$150.00; non-resident, Canadian, moose, 1974, \$150.00 as against \$100.00; non-resident, Canadian, black bear, \$25.00 as against \$15.00; non-resident, other, caribou licences \$500.00 as against \$175.00 last year; non-resident, other, moose \$250.00 as against \$125.00; non-resident, other, black bear \$50.00 as against \$15.00.

This indicates a substantial increase in non-resident licence fees. Consideration will be given to further increases in the non-resident fees for next year.

(d) We will permit any one hunter to hold only one licence for our major big game species (moose and caribou) in any year.

(e) A hunter will be eligible for either of these big game licences in alternate years only, beginning with the 1974 season. This would not prevent the holder of a moose licence this year from applying for a caribou licence next year; however, he would not be permitted to apply for a moose licence next year. In order to make this quite clear, Mr. Speaker, I would like to cite an example: - One can apply for and receive a moose hunting licence this year. He is then not eligible for another moose hunting licence until 1976; however, this does not prevent him from applying for and receiving a caribou licence next year. This, however, does prevent him from applying for a caribou licence in 1976. He would not qualify for another caribou licence until 1977. Since there are approximately 20,000 big game hunters in the province and approximately 12,000 big game licences available annually, this alternate rule could make it possible for all big game hunters in the province to obtain a licence every two years. Instructions for applying for big game licences will be printed on the application form.

(f) All licences will be drawn for by computer.

Applications will be accepted during the period May 1 to June 14, 1974,



inclusive, and only the prescribed application form will be acceptable. Any application received by the Department of Tourism after June 14 will not be accepted. When a properly completed application form is received, a card will be sent to the applicant advising him that his application has been entered in the draw. When filing the application, hunters are asked to ensure that any areas they wish to hunt are listed in order of preference.

For the 1974 hunting season, outfitters will be allocated licences for issue to non-residents as was the case heretofore. However, for the 1975 season the allocation of licences will be discontinued and non-residents will be required to purchase their licences from the Department of Tourism and then engage the outfitter of their choice. In order to make this policy generally known, the Department of Tourism will advertise in national and international sporting magazines, to assist the outfitter in advising potential clientele. During the next week to ten days, outfitters will be advised individually of licence assignments for this year.

#### 1974 BIG GAME SEASON AND QUOTAS

##### MOOSE

The current quotas reflect present moose densities. The total number of licences available this year will be 12, 124, which is up slightly from the 11,914 issued last year. The quotas and season dates for individual areas are shown on the attached table. I have copies of the full statement for all members of this House as well as the members of the press. I will not read the full table, it will take too long. The significant changes from last year are as follows:

- (1) The closing of the Gros Morne National Park area.
- (2) The splitting of Area 19, recently known as Grey River, into two areas; now numbered Area 19(a) - Grey River West, and Area 19(b) - Grey River East.

- (3) A change in the boundary area between Area 18 - Granite Lake and Areas 19 (a) and 19(b), moving the southern boundary of Area 18 south from its last year's location.

- (4) Reopening of the Baie Verte Peninsula - Area 14.
- (5) Reopening of the Bonavista Peninsula - Area 29.
- (6) Splitting of the Burin Peninsula - Area 30 in 1973,

into two areas - Area 30(a), I would suggest, Mr. Speaker, that these names will be long remembered, Area 30(a) to be called Burin Peninsula Knee and Area 30(b) to called Burin Peninsula Foot.

Number (7): The provision of a bow hunting season for Area 4 - Taylor's Brook, Area 7 - South Brook, and Area 33 - Salmonier.

Number (8): The provision of winter seasons in Area 9 - Anguille Mountains, and Area 19(b), in addition to continuing the winter season in Area 3 which is Harbour Deep.

For caribou: Caribou quotas reflect present caribou populations. The total number of licences to be issued this year is 1257 which is down slightly from the 1315 issued last year. Again the season dates and quotas are attached.

The only significant change other than adjustments in licence quotas for the 1974 caribou season is the establishment of an open season for caribou in the Great Northern Peninsula. There has not been a caribou hunting season in this area for more than twenty years. However, populations have now reached the level where a modest crop can be recommended. This area will be reserved for resident hunting only. Quotas and seasons for Labrador will be determined and announced as soon as the spring surveys are completed.

As I said, Mr. Speaker, there are copies for all members of the honourable House as well as members of the press.

MR. NEARY: I am rising to comment on the minister's statement, Mr. Speaker. I think basically what the minister says in his statement was pretty good stuff, motherhood. I think we welcome these changes in the Wildlife Regulation, Sir, but when the news gets out Sir, I think that the residents of Newfoundland are going to be very disappointed that the moose licence ratio between residents and non-residents was not changed. There was a storm of protest last year about this if honourable members will remember and I must say that I am personally and I sure that my colleagues are disappointed that the minister did not see fit to change the ratio which is now eighty-five per cent as opposed to fifteen per cent.

The minister made no reference whatsoever to complimentary licences there. Perhaps at some future date the minister could indicate to the House just how many complimentary licences were given away last year and if they intend to follow this policy in the future.

PRESENTING PETITIONS:

MR. SPEAKER: The honourable member for Bonavista South.

MR. J. MORGAN: Mr. Speaker, I beg leave of the House to present a petition from 317 resident voters of the community of Bunyan's Cove in my district. The prayer of the petition is that the road leading from Bunyan's Cove to Port Blandford, an area of nine miles, be upgraded and paved.

Now, Mr. Speaker, the budget will be forthcoming hopefully in the next short while and I sincerely hope that there will be substantial funds this year for road work in this Province. I would like to say I find it very disappointing and annoying that of the \$10 million allocated from DREE this year for road work in this Province that \$7.75 million of that money is going down to the honourable member's district in Burin-Burgeo, despite many applications from my district and around the Province for Dree funds. I find it annoying and upsetting, especially when Bonavista South has 130 miles of gravel road, rough gravel road, in many cases practically impassable for school buses.

So I sincerely hope that there will be substantial funds from the provincial budget this year to be channelled in the direction of the East Coast especially in the Bonavista area.

So I fully support this petition and indeed other petitions from my district and I sincerely hope that the funds will be forthcoming, unfortunately not from DREE this year.

I move, Mr. Speaker, that this petition be tabled in this honourable House and passed along to the department to which it relates.

MR. SPEAKER: The honourable member for Labrador North.

MR. M. WOODWARD: Mr. Speaker, we on this side of the House would like to speak in support of the petition presented by the member for Bonavista South

on behalf of the 317 voters from Bunyan's Cove, looking for upgrading and paving of nine miles of road. We would like to see too, Sir, that the honourable Minister of Finance, who is not in his seat today, would see fit to allocate funds for paving and upgrading of roads not only on the Island of Newfoundland, not only on the east coast of Newfoundland but also in that isolated part of our province called Labrador, Sir. I was very surprised this morning when visiting with the Department of Transportation and Communications, that there is not one cent of money allocated for my district in the form of roads this year, which is saddening. This is disgraceful.

MR. SPEAKER: Order please!

MR. WOODWARD: Mr. Speaker -

MR. SPEAKER: Order please! The honourable member for Labrador North by leave of the Chair is entitled to support another petition but he should indeed keep his remarks confined to the prayer of that petition and not talk about the needs of his own district.

MR. WOODWARD: Thank you, Mr. Speaker. I would like to say, Sir, that the Minister of Finance, should not depend so heavily on DREE for funds but to see that some of the provincial funds are spent in the District of Bonavista South and some of the funds will be spent in Labrador. Thank you.

MR. SPEAKER: The honourable member for Trinity North.

MR. BRETT: Mr. Speaker, I beg leave to present a petition on behalf of the residents of Southwest Arm of Random in my district. The prayer of the petition is as follows:

"We the undersigned, do humbly beg that you present this petition to the appropriate authorities requesting them to act as follows: That the road on the Southwest Arm of Random be rebuilt this year with construction beginning at the Trans Canada Highway intersection and continuing towards Southport. That this road be paved as soon as it is rebuilt. That all soft spots presently found in the road be corrected immediately so as not to reoccur again next year. That all dangerous curves and steep hills be eliminated to the

fullest extent. That the present intersection of this road with the Trans Canada Highway be improved with increased distance in visibility for westbound traffic and necessary road markings."

This petition, Your Honour, is signed by some 964 voters from the following communities; North West Brook, Queen's Cove, Long Beach, Hodge's Cove, Caplin Cove, Little Heart's Ease, Butter Cove, Gooseberry Cove and Southport. They forwarded some facts to substantiate some immediate action. Apparently they did a survey in the area and the total population is 2,172 and there are 242 vehicles registered. In addition to the vehicles registered in that area of course there is a considerable amount of commercial traffic, trucks, school buses. There is in excess of 1 million pounds of fresh fish trucked over that road annually and in addition to that a large number of residents from the area commute daily to Come By Chance. The number of people who will commute will increase with the building of the second oil refinery.

Now over the years we have seen very little work done, I am not being partisan, there was some work done in 1970 or 1971. I am not sure there was nothing done in 1972, that is when we were in power. There was a fair amount spent there last year, Sir, and I hope that more will be spent this year.

Now apart from the potholes and the dust which people have to suffer, the spring breakup is probably worse, it is almost impassable, particularly right now. I have no hesitation, Sir, in supporting this petition. I ask that it be tabled and referred to the department to which it relates.

MR. SPEAKER: The honourable member for Bell Island.

MR. NEARY: Mr. Speaker, we on this side of the honourable House support the prayer of the petition just presented on behalf of the residents in the honourable member's District of Trinity North to have the Southwest Arm Road improved, Sir.

This petition is quite justified, Mr. Speaker. That is indeed a bad piece of highway, a bad piece of road and because of its



importance as the honourable member indicated, because of the oil refinery, the industry at Come By Chance, Sir, that something should be done with this road. I am surprised at the honourable member who is a special assistant on the eighth floor who has the air of the Premier, that he was not successful in getting something done with this road in the last two years, Sir. I am rather pleased that the member did not attempt, as his colleague, the member for Bonavista South, did, to try to blame it on DREE and blame it on Don Jamieson.

I do hope, Mr. Speaker, that the honourable member has better luck in getting improvements made to this road than my honourable colleague had in getting improvements to roads in Labrador North.

QUESTIONS:

MR. WINSOR: Mr. Speaker, before we get into Orders of the Day may I direct a question to the honourable the Minister of Fisheries?

X A delegation from the Fishermen's Co-Op met with the honourable minister a few days ago and presented a brief dealing with a fish plant for Fogo Island and a special request for financial assistance in order that the co-op may carry on its duties. Could the minister tell us what action or if there is anything affirmative on those requests and especially the latter?

MR. H. COLLINS (MINISTER OF FISHERIES): Mr. Speaker, we did indeed have a meeting with a delegation of fishermen involved in the Co-Operative, the boat building industry as well, the boat building project down there as well. The brief which they have committed - it is a pretty good one - is receiving the active consideration of the government bearing in mind that the fishing season is just around the corner. We hope to be in a position, after discussions with the Department of Provincial Affairs and Environment which department the co-operatives come under we hope to be in a position to indicate to them what government will be doing very shortly.

MR. WINSOR: A supplementary, Mr. Speaker. I am sure the minister is fully aware of this but I would ask him if he would use his good office

~~to sort of expedite this request.~~ I am sure he realizes that without financial assistance the co-op may have to curtail its operation very shortly.

MR. NEARY: Mr. Speaker, I wonder if the honourable House Leader could indicate to the House if there are going to be any more ministers in the House ~~this afternoon during the question and answer period so we can put some very pressing questions to the ministers?~~ Does the House Leader care to tell us where the ministers are?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: There are not enough here, Sir, for a good game of forty-fives.

MR. SPEAKER: Order, please!

AN HONOURABLE MEMBER: Too arrogant!

MR. NEARY: Too arrogant is right.

I wonder if the - I will give an opportunity to the Minister of Mines and Energy to get his picture on television again. Would the minister care to indicate to the House, Sir, his feelings on this very serious matter that was raised in Halifax yesterday, at the Science Council of Canada Conference that is being held in Halifax, when it was stated that Halifax will be the main beneficiary to any offshore mineral or oil strikes off our shores here, Sir?

Would the minister care to reply to that because so far we have only heard from a poor, old, half-frightened, half-baked civil servant? Would the minister give us his views on this very serious matter?

HON. L. BARRY (MINISTER OF MINES AND ENERGY): Yes, Mr. Speaker.

First of all I can say that our government has no intention in the world of permitting Halifax to take all the benefits of offshore exploration, drilling, seismic work and so on, especially when one considers that the Newfoundland portion of the Eastern Continental Shelf is in excess of sixty per cent.

This government has already taken steps to ensure that workers are employed from Newfoundland, that Newfoundland goods and services are used by companies working on the Newfoundland section of the Continental Shelf. I might mention here, Mr. Speaker, that nothing had been done in this regard

prior to this administration coming into office.

This report that was considered at the meeting the honourable gentleman refers to is typical, it is a typical report written by some Upper Canadians who take the view that Canada begins at Victoria and ends at Halifax. It is, I suppose, the same syndrome as the official who wrote to the poor Newfoundland girl who applied for a job in Ottawa a few days ago and one of the Liberal clerks up there wrote back that it was too bad she did not qualify because she was not a Canadian citizen.

AN HONOURABLE MEMBER: Civil servants .... (Inaudible).

MR. BARRY: The civil servant. Oh! Employed by the Liberal Government.

Mr. Speaker, again we are aware that there is a serious problem. There is a tendency for the bureaucrats in Ottawa to sit back and to make plans about what is going to happen down here when they have no idea what is going on. They have a situation existing in DREE where Mr. Jameison had, well I thought it was a fairly good idea of decentralizing and instead of having the bureaucrats sitting down in Ottawa in their offices and making plans on paper about what is best for us down here on the East Coast, Mr. Jameison's idea was decentralizing, get them out to Eastern Canada.

Now it turns out that while they are prepared to make plans and tell us how to live down here, half of his department has jumped ship because they do not want to come down and live with us. I say, Mr. Speaker, that we can do without the ramblings of the bureaucrats of this type and the honourable member opposite can be sure that we are not going to accept this gospel, any report written by a couple of bureaucrats that says that Halifax is going to get all of the gravy and leave us with the scraps.

MR. NEARY: Mr. Speaker, the civil servant the honourable minister refers to, I understand was an employee of Mr. Diefenbaker.

Sir, a supplementary question for the honourable minister:  
Would the minister indicate to the House, because this is a very serious matter, the energy policy has not yet been outlined even though

we have had a lot of discussion back and forth. Would the minister indicate if he intends to present a white paper on Newfoundland's Energy Policy? Because white papers were pretty popular there a few years ago. Could we have some indication of what the Province's policy is on anything? Just give us a clue, a hint of some kind because as I indicated the other day when I spoke in the House, the whole matter is confused and here we have evidence here on it, with this statement coming out of Halifax. Would the minister, I am serious about this, would the minister give us some kind of an indication if there will be a white paper or a pink paper? I do not care what kind of a paper it is as long as we know what the policy is.

MR. BARRY: Mr. Speaker, we could prepare a white paper or a green paper or a blue paper on energy policy but really, Mr. Speaker, we have, I think, more important things to do and the efforts of the people who are employed by the Newfoundland taxpayer can be put to better use than sitting down and reiterating points which are already available to the honourable member. There is not one question which the honourable member, I would suggest, can raise that he cannot already find an answer to either from the multiplicity of documents, papers that have already been supplied to the members opposite or from ministerial statements or speeches given by the Hon. the Premier, myself and other ministers.

For example, with respect to the matter that the honourable member raised that is coming out of the Halifax meeting: Some time ago, Mr. Speaker, we prepared a very extensive paper and distributed it on the philosophy of this Government with respect to obtaining the maximum benefits from the industrial spinoff of developments on the Continental Shelf.

Now, Mr. Speaker, I can get this information for the honourable member and I hope to go into great detail on my estimates and I am sure that members opposite will ensure that I do go into great detail and I am prepared to answer any questions the honourable members want

to ask and supply any information that they would like to see.

ORDERS OF THE DAY:

MR. SPEAKER: Order 10, bill number 24: It has been moved and seconded that bill number 24 entitled "An Act Further To Amend The Petroleum and Natural Gas," be now read a second time.

The honourable Minister of Mines and Energy.

HON. L.D. BARRY: Mr. Speaker, this bill was introduced in order to amend Section (8), subsection (1) of the Petroleum and Natural Gas Act. I will read out the section as it exists right now.

Section 8(1) as it now exists reads: "Subject to subsections (2) to (5), no person shall drill or operate or undertake or commence to drill or operate any well except in accordance with a subsisting license, permit or lease issued pursuant to the regulations which relates to the area and in which such operation is carried on."

Basically, Mr. Speaker, we have been finding that this section does not cover activities such as seismic activities and we have been finding that we have had companies coming to the Newfoundland Continental Shelf and going out and doing work there without contacting government. This has the disadvantage of, well first, not keeping us informed as to what is happening out on the Shelf and secondly, by requiring the issuance of a license for seismic work and all activity on the Continental Shelf, we can insure that we get the proper information as a result of the activity that is carried on.

This is the purpose for amending Section 8(1). It now reads that: "Subject to subsection (2) to (5), no person shall undertake or commence any operation relating to the exploration for or exploitation of petroleum within the jurisdiction of the Legislature except in accordance with a subsisting license, permit or lease, issued pursuant to the regulations, which relates to the area in which such operation is carried on".

In other words, Mr. Speaker, following the passing of this amendment, before a company could go out on the Grand Banks or off Labrador



and carry on seismic work or other work that is not covered by the existing act, it would have to apply for a right to do so from the Newfoundland Government.

At the present time, it is only when they want to drill a well or operate a well that they have to apply for a permit.

MR. SPEAKER: The honourable member for White Bay South.

MR. W. ROWE: It seems to be an imminently sensible amendment, Mr. Speaker. I would imagine that at the time that the original act was passed the drilling operations were really the only method of exploration or looking around anyway. It was the intent of the earlier legislation to make sure that anybody who was getting involved in exploration would be subject to the licenses and leases and whatnot but with improvements in technology and things it is necessary undoubtedly to extend the words, make the words more general, Mr. Speaker, to make sure that nobody can avoid or elude the operations of the act, the Petroleum and Natural Gas Act.

So we have no objection whatsoever. Indeed, Sir, it is a welcome change, perhaps important even as far as getting information into the government is concerned.

One interesting part of the amendment, the same words, of course, were in the original act, "within the jurisdiction of the Legislature." I do not think I have ever heard this expressed publicly, Mr. Speaker. Would the minister, when he closes the debate, indicate exactly what amount of area, what area of sea, underground, under the sea, the earth under the sea is claimed by Newfoundland? How far out does it go? Is it part of the Continental Shelf, beyond the Continental Shelf? Because it is not beyond the realm of possibly that perhaps something valuable might be found in the sea or deep down below the sea into the earth which may even be a mile or so below the surface of the water, Mr. Speaker, which may be beyond the Continental Shelf? What do we claim? What does this Legislature claim to have jurisdiction to? What area, generally speaking? I would appreciate the minister giving us that information.

MR. SPEAKER: The honourable member for Labrador South.



MR. M. MARTIN: In reference to the question which was raised by the honourable gentleman from White Bay South, one which I had meant to, I jotted in my notes here to ask on the whole matter of what area falls within the jurisdiction of the Federal and Provincial Government; Whether or not there has yet been an agreement between the Federal and Provincial Government delimiting these various jurisdictions or the whole jurisdiction?

Certainly there can be no quarrel with trying to find out what is taking place with operations of these private companies on what is after all, we would like to think, our territory.

This is the only question that I would see at this particular point. There is certainly nothing objectionable about this bill but the minister might clarify this matter of provincial and federal jurisdictions.

MR. SPEAKER: If the honourable minister speaks now he closes the debate.

MR. BARRY: Mr. Speaker, with respect to the question asked by the honourable Member for White Bay South, how far out do we claim or what is meant by, "within the jurisdiction of the Legislature?"

Mr. Speaker, the Province of Newfoundland claim as far out as it is recognized in international law, that the Country of Canada would be entitled to under international law. As the international convention, the Geneva Convention, now exists it sets out the limits or the rights of the adjacent state, and the adjacent state would be Canada. By saying that Canada has the rights, that does not mean the federal government have the right to administer them, which is a mistake often made. In saying that Canada has the rights of international law over the Continental Shelf, International is silent as to who should administer these rights whether it be a federal government or a province or within the adjacent state.

But as the Geneva Convention now exists, it states that the adjacent state can claim up to a depth of two hundred metres or as far as is exploitable. This, Mr. Speaker, was a general phrase put in there at the time because when the Geneva Convention was passed in 1958 it was not conceived that they would be able to operate in depths in excess of two hundred metres.

As it turns out now, Mr. Speaker, there is much ambiguity caused by this wording because as you know companies can drill in depths greatly in excess of two hundred metres. Therefore, if we take the wording of the Geneva Convention as it exists, Canada and Newfoundland as it is part of Canada, could claim conceivably out to the centre of the ocean to meet Ireland's claim extending toward us from the other side presumably or Greenland's.

But, Mr. Speaker, this is I believe generally accepted as not being in the interest of mankind to have claims being made over the deep ocean bed. So the Law of the Sea Conference is coming up in Caracas; Venezuela is expected, Mr. Speaker, to clarify and to bring up a new measurement, a new criterion for setting out how far an adjacent state can claim.

Now, Mr. Speaker, we are concerned and we have made it clear to Ottawa, to the Department of External Affairs, that we believe that the Canadian Department of External Affairs should aggressively assert a claim to at least the end of the Continental margin. Now by Continental margin, you have the Continental Shelf and then you have a Continental Slope which slopes off into deeper water. Then, Mr. Speaker, if you look at the map you will notice that there is a bit of a break at the bottom of the slope and you go on for a little distance and then there is another rise.

Now the Continental margin would take in the Continental Shelf, the Slope and out to the second rise, Mr. Speaker, and we want our Country, Canada, to aggressively assert jurisdiction at least out to this distance and not to be content with a distance of two hundred miles which will not take in a sizable portion of the Grand Banks, which in turn would lose us as the area on the Continental Slope where it slopes down to deep water, which all companies generally agree is an area of fairly good potential.

So as you can see, Mr. Speaker, it is not a question that is easily answered, to boil it down. We claim right out to the - we say that right now Canada is entitled to claim and Newfoundland, therefore, is entitled to claim at least to the fullest extent of the Continental margin. If this matter is to be clarified by the Law of the Sea Conference, we do not want to see the distance reduced any more than that.

Now to answer the honourable Member for Labrador South's question; what areas are claimed by the federal and provincial governments? Well indirectly I have treated that question. It boils down to the fact that the federal government are attempting to claim all areas that are recognized

as belonging to Canada, in International Law, except internal waters which would be waters inside of bays which are clearly within provincial jurisdiction. There is some ambiguity with respect to the territorial sea. There is possible that they are not claiming the old territorial sea, the three miles, and it was not clear what their claim is with respect to twelve miles out.

But these are areas of relative insignificance and since it is a very small area it would be included either inside the twelve mile limit or the three mile limit. So we have not bothered to clarify this, what the federal government's position have been on this, because our position is that the province should administer all of the area adjacent to Newfoundland, that Canada is entitled to in international law.

MR. ROWE, W.N. Mr. Speaker, before the minister sits down, I wonder if he would yield the floor for a question. Has there ever been a case where anybody commenced operations aside from the most superficial kinds, say drilling operations, without applying to - within the area the minister has already mentioned, say anywhere on our Banks, anywhere on the Continental Shelf without applying to either Newfoundland or Canada or both for a licence or a lease or something or anything else like that?

MR. BARRY: Prior to this administration going into office, we understand that there was a well drilled on the South Coast by a company which had a federal permit but which did not contact the provincial government, at least not to our knowledge. Since we have been in office, to our knowledge there has been no well drilled without an exploratory permit obtained from the Newfoundland Government. We are having some difficulty, I might say, with a company right now in that they are somewhat hesitant about or taking a hard line with respect to our rights to insist upon their obtaining a permit from us. We have just said to them, "Make your own decision but if you do not come and if you attempt to do work on the Continental Shelf without obtaining the necessary permit from the

Newfoundland Government be aware of the fact that there is a \$1,000 a day fine set out in the existing legislation for so doing, making it an offense to so do. Also be aware of the fact that our government and we feel certain future governments will not look with any great sympathy towards your company in the future should you happen to come and be desirous of obtaining any particular concessions or rights from the province.

So we have just said that you come to us and you obtain a permit regardless of what you think of the strength of our case because if you do not you are going to be in a poor position in the future.

Mr. Speaker, I have no further comments to make on this bill and I move second reading.

MR. NEARY: Mr. Speaker, as there are twenty-one vacant seats on the government benches, Sir, could we have a quorum call?

MR. SPEAKER (STAGG): We have a quorum.

Motion, second reading of a bill, "An Act Further To Amend The Petroleum and Natural Gas Act. B-24

On motion bill read a second time, ordered referred to a Committee of the Whole House presently, by leave.

MR. NEARY : Mr. Speaker, just for clarification: When a quorum is called by an honourable member of the House, does the clerk have to count the House or does the Speaker count the House and if there is not a quorum, adjourn the House? The Standing Rules, Sir, say, I think, the Speaker has to check the House.

AN HON. MEMBER: (Inaudible).

MR. NEARY: No, it is not, Sir.

MR. SPEAKER (Mr. Stagg): If the honourable member would confer with the authorities on the subject -

MR. NEARY: Well, Your Honour just told the clerk to count the House. Sir, I do not think that that is in accordance with the Standing Rules of the House. The Speaker must do it.

MR. SPEAKER (Mr. Stagg): With regard to the point that the honourable member just made, it will certainly be taken under advisement.

MR. NEARY: Mr. Speaker, this -

MR. SPEAKER (Mr. Stagg): Order please!

MR. NEARY: I am sorry about that.

MR. SPEAKER (Mr. Stagg): Order 20, Bill No. 27.

Motion second reading of a bill, "An Act To Amend  
The Undeveloped Mineral Areas Act."

HON. L. BARRY (Minister of Mines and Energy): Mr. Speaker, this is a very significant piece of legislation. If it is not passed immediately, the province will grind to a halt. It is to amend Paragraph (g) of Section 2 of The Undeveloped Mineral Areas Act, to change the reference there which was an error in the previous legislation, Mr. Speaker. It will now read: "Operator means any one with whom an agreement is made under Section 6," which is the proper section. I believe the existing legislation refers to Section 4 which is complete nonsense.

I might say, Mr. Speaker, that this is a bill which has not had the extensive use by this administration that it has had in the past. It is our policy not to apply this Undeveloped Areas Act



lightly and only in very special circumstances will we consider taking what is a fairly significant and serious step with respect to re-arranging the property rights of individuals in the province.

Mr. Speaker, our moving of this amendment to the section to correct an error existing in the present legislation should not be taken as an endorsement by this administration of the desirability of using this legislation or even of agreeing with the use that has been made of it in the past.

MR. W. N. ROWE: Mr. Speaker, like ninety-nine point nine-nine per cent of the other legislation presently before the House, this is of very little consequence whatsoever.

There are two points I would like to make. I am interested to hear the minister say that this act to which this bill is an amendment, an inconsequential amendment, is going to be restricted in its use, presumably to friends of the administration, only which is an ever decreasing circle of friends I would submit, Sir. It will not be too long before there will not be any use whatsoever for this bill, that is if the minister is going to see that the government restricts it to friends of the administration.

MR. BARRY: Mr. Speaker, to a point of order: I hope the honourable member is using it in a jocular sense. That is a fairly serious allegation in that the discretion of government is being used in an improper manner and I would ask the honourable member to withdraw that.

MR. W. N. ROWE: Sir, I meant it jocularly, I can assure the House. I am surprised at the minister's tenderness.

MR. BARRY: You know, posterity and the record and reading it.

MR. W. N. ROWE: Well then let me speak clearly into the microphone so that Hansard will preserve for posterity that I was talking jocularly, Mr. Speaker, when I talked about the friends of the administration. I withdraw it unreservedly. One has to talk jocularly when one refers to

the friends of the administration. One cannot be serious when one talks about that. I did not mean to insult the minister at all. I was just trying to make a corny joke, Sir, to liven up the proceedings. With the Minister of Finance here now, I will not have to make any more jokes. He will now take over from me, Mr. Speaker.

Mr. Speaker, I do not think there is anything else, Sir, that need be said on this. It is merely an inconsequential amendment. We have no hesitation in supporting it.

On motion, a bill, "An Act To Amend The Undeveloped Mineral Areas Act," read a second time, ordered referred to a Committee of the Whole House presently by leave.

Motion second reading of a bill, "An Act Further To Amend The Gasoline Tax Act." B-11

HON. JOHN C. CROSBIE (Minister of Finance): Mr. Speaker, I would like to rise to move second reading of this bill. It is an amendment to the Gasoline Tax Act, obviously. The purpose of it is this: In 1971 the Service Station Association of Newfoundland and Labrador submitted a brief requesting several things including the granting of allowances for evaporation and/or a rebate or commission to them for collecting the gasoline tax. Now we have not agreed that they should receive any commission for collection of the gasoline tax since the gasoline tax is collected from the oil companies rather than under the retail level. It is not collected by the retailers, it is collected by the wholesalers.

Mr. Speaker, on studying this matter, we have agreed or we do feel that it is fair to grant them what is called an evaporation allowance. The evaporation allowance to be granted to them would not exceed thirty-three dollars per one hundred thousand gallons. This is based on the allowance granted in the Provinces of Ontario, Quebec and New Brunswick. Manitoba grants an allowance in excess of that, fifty-five dollars per one hundred thousand gallons. The tax administrators think that is excessive. Nova Scotia does grant a commission of rebate of point zero five cents per gallon.

Mr. Speaker, in order to permit us to give an allowance to the service station owners for evaporation of gasoline they lose a certain amount of gasoline through evaporation. We need this amendment to the act. The allowance would be thirty-three dollars for every hundred thousand gallons they sell during the year or thirty-three cents a thousand gallons. Now the cost of that a year, our estimate is that it will cost thirty-five to forty thousand dollars a year. That is for shrinkage and evaporation losses. They will partly need what they requested. We do not agree that we should pay them a commission for collecting the gasoline tax because they do not collect it. In order to enable us to do that, we need this amendment.

MR. NEARY: Mr. Speaker, I do not know if I can get my shot away under this particular bill or not but what about the poor old retailer? What consideration is he going to get for shrinkage and evaporation, that is if the retailer is going to get it? Can the minister assure us that this will be funnelled down to the retailer? What I am thinking about, Mr. Speaker, is the increase in the equalization payments that this province is going to get this year from Ottawa as a result of the tax on Western oil. Will any of that be passed on to the retailer through a reduction in the gasoline tax? Are we going to see any relief along these lines this year?

MR. CROSBIE: I will come to that in a couple of minutes.

MR. NEARY: Tell me now. I will take my seat. I will bow to the minister

MR. CROSBIE: If I speak now, he will not be able to speak further.

MR. NEARY: Oh, good. Go ahead, I want to hear it.

MR. MARTIN: There is only one point here. This is probably the only chance I will ever get to ask this question so I am not going to miss it. There comes a point I am sure in the levying of taxes where returns begin to diminish. I am wondering with respect to gasoline tax, especially now that we bring in something else, whether or not the returns on gasoline taxes had begun to diminish to the point where we can safely say we are not going to see any more in the near future, any more increases in taxation on gasoline?

MR. SPEAKER (MR. STAGG): If the minister speaks now, he closes the debate.

MR. CROSBIE: Mr. Speaker, I do not think it is possible ever to say that there is any tax that you are not going to see or that you might not see an increase in in the future although it is pretty obvious I think that an increase in gasoline taxes is unlikely in any province at the present time because of the increase in gasoline and oil prices. To say that there would never be one at any time in the future of course would be too far away.

Another thing to remember is that the gasoline tax is a stated amount per gallon. As gas and oil becomes more valuable there is really no reason at all in economic theory why the tax should not increase also. So that the answer to the honourable gentleman's question is that it is certainly not likely in the near future but who can tell in the long run.

To come back to the member for Bell Island's question, Mr. Speaker. I think what he is referring to is that there is supposed to be an increase in tax equalization this year.

AN HONOURABLE MEMBER: It has saved the minister again.

MR. CROSBIE: No, no. It has not actually. There is supposed to be an increase in tax equalization because of this oil and gas revenue. Part of

the oil and gas revenue going to Alberta will be equalized. Most of it will not be this year. That will be utilized and put to good effect by the provincial government for the benefit of all citizens of the province. The honourable gentleman need not worry about that as last year we put to good effect the \$24.4 million that the federal government said we were going to get only to find it evaporated to \$19.2 million. So, we should have gotten an evaporation round.

So, I do not suppose that really answers the honourable gentleman's question but on Wednesday or Thursday - Thursday I think will be budget day, Mr. Speaker. There is an odd chance that it might be Wednesday but it will certainly be Thursday if it is not Wednesday and all questions will be answered and once again joy and elation will ring throughout the province as the minister brings down his third budget which will follow I hope in the strain of happiness and joy and general rejoicing as the first two were.

AN HONOURABLE MEMBER: Now are his nerves? Does he think his nerves will hold up?

MR. CROSBIE: I am taking pills.

On motion a bill, "An Act Further To Amend The Gasoline Tax Act" read a second time, ordered referred to a Committee of the Whole House, presently by leave.

MR. SPEAKER (MR. STAGG): Before going further than that, I have been asked to draw to the attention of the House we have just been joined by the Forty-eight Brownie Pack from Vanier School with their teachers, Mrs. Hanna and Mrs. Ring. I trust that your stay here will be interesting and informative. On behalf of all honourable members, I welcome you to the galleries this afternoon.

Motion second reading of a bill, "An Act To Repeal The Gift Tax Act, 1972." B-#1

MR. CROSBIE: There are really two bills here and I imagine that it is just as well to debate them all on this one. Number 4 is The Bill B-#4 to Repeal the Succession Duty Act. What this does, Mr. Speaker, is carry



out what we stated last year would be the position, that is the repeal of the Provincial Succession Duty and Gift Tax Acts at the end of December, 1974.

Now, it is rather a complicated situation but just to try to explain it: The reason why the previous administration decided to carry on with succession duty and gift tax at the end of 1971 and why we endorsed it when we took over in January, 1972 was that we were going to suffer severe loss in equalization payments if we did not do that.

There used to be one Estate Tax in Canada administered by the federal government across Canada which is obviously the only right and sensible way to have an estate tax because then it is uniform across Canada and you have none of this business of one province without it, another province with it and people leaving the one province to go to another where they will not have any estate tax or succession duty, which results in chaos. In any event the federal government decided in 1971 to eliminate the estate tax and to impose a capital gains tax and the new and revised income tax.

Now, originally we used to get seventy-five per cent, by the way, of the revenue taken from the province through the Estate and Gift Tax

Act when Canada collected it and they were equalized. The direct revenue yield to this province has always been modest, generally between \$300,000 to \$500,000 per year. The equalization came to around \$3 million a year.

Now, the federal government really in effect forced the provinces who received equalization to go ahead with a Provincial Succession Duty and Estate Tax Act because they would not extend the revenue guarantee to cover loss of revenue from not imposing these shared taxes. So, unless we went ahead we were going to lose equalization. So, all of the provinces that were receiving equalization went ahead. The only province that did not have succession duty and gift tax was Alberta.

The six provinces of Saskatchewan, Manitoba, and the four Atlantic Provinces went into this arrangement, the six of them together.

The federal government agreed that they would administer these



provincial acts so we all had to pass a uniform act, as uniform as possible, so that Ottawa would continue to administer it. Ottawa agreed to administer it for three years, from the end of 1971 to the end of 1974, and stated that after the end of 1974 they would no longer administer this provincial legislation. That is still their position. So, we went on into this with the other provinces. By going into it - we say their position on equalization for technical reasons. Soon after we all agreed to do that, Prince Edward Island backed out altogether and they refused to pass the legislation. This caused great concern in Nova Scotia and New Brunswick.

New Brunswick announced finally that they were getting out at the end of 1973. Nova Scotia said that they would get out at the end of March, 1974. So, they are now out. We announced last year that we would vacate this field at the end of 1974 and that is what this legislation does.

Now, the federal government have agreed that they will continue to collect the taxes for us beyond December 31, 1974. For everyone who has died up to that point and who had an estate or a gift tax they will collect that and clean it up which will probably take until 1976. They repeated that again for us a couple of weeks ago.

The revenue we will not get by not having this can amount to half a million a year or \$600,000. It all depends on who dies during the year, whether somebody dies and has a particularly good estate.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: By golly, if I went! No, I think that will come in under the exemption. We have very broad exemptions.

Now, another reason, Mr. Speaker, of course, is that the capital gains tax is now in effect for three years and if you also have estate tax in addition to capital gains tax, you are getting double taxation. That is another reason, but the main reason why we have no -

AN HONOURABLE MEMBER: What is the rate?

MR. CROSBIE: I cannot remember the rate. Twenty-five per cent, is it?

AN HONOURABLE MEMBER: What? Of capital gains?

MR. CROSBIE: Yes.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Right, and he says his personal income tax rate.

The main reason for having now to drop this is that we just cannot administer it. It would cost us a couple of hundred thousand a year to administer.

We had to get very highly skilled people to administer it and we have not got access to the income tax records of Canada and so it is really almost hopeless to try to administer this provincially. Plus the fact the other Atlantic Provinces are now out of it and the few people we do have here with resources would probably change their domicile.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well the reason we have said the end of December is that we had entered an agreement with the federal government for three years and we felt we should observe that.

AN HON. MEMBER: What about Prince Edward Island?

MR. CROSBIE: They went out. They never instituted it at all. Nova Scotia is the end of March but we felt we better wait until the end of December and now it is too late to change that because we have to give them six months notice.

AN HON. MEMBER: They will not any longer, no.

MR. WM. ROWE: There is not much we want to say on this, Mr. Speaker. I believe, as the Minister of Finance has said, most of the people who make a great deal of money in Newfoundland or throughout Canada generally will be on the hook from the taxation standpoint because of the introduction of the capital gains. While I am not adverse at all to double taxing them again when they die, since I do not see why their sons and daughters - I can see why a widow or a widower might want to inherit for her or his lifetime the gains, well or ill gotten, of his or her spouse for the remainder of his or her life. I do not see why a son or a daughter should necessarily come into millions of dollars because his or her father or mother made it before him or her. I do not see why that should happen at all.

So I am not necessarily against keeping the Gift Tax Act and the Succession Duty Act in (but on the other hand a great deal of money is made for taxation purposes by the Capital Gains Tax anyway so the federal government and indirectly the provincial government makes up the loss that we will incur as a result of getting rid of this.)

I am with the member for Bell Island and the member for Fogo on this. I mean it seems to me it will cause unnecessary mental anguish to people who are either in the process of dying now for example to know that their estates are going to be swallowed up by the tax people. If only they can struggle and strive and keep body and soul together for another six or seven months they will have the pleasure of dying on say January 1 knowing that they have left a big whopping estate to their descendents.

So I am with them. I mean once the decision is made to get rid of the Gift Tax Act and the Succession Duty Act, both of which are necessary because they block loopholes of each, once that decision is made I do not see why we just do not drop it now and have done with it and tell the federal government that we are not going to collect it any longer. I am sure, well they want six months' notice, I do not know why, I suppose to wind down the operation but I am sure that they could find work for the people who will no longer have this particular employment to pursue. I do not know why we do not do it.

As far as keeping the agreement with the federal government, well I do not think there is any doubt that we went into it in good faith. Prince Edward Island pulled out, certainly a show of mala fide of some sort there. Nova Scotia has not hesitated to break its agreement nor has New Brunswick. I do not see why we cannot have a mutual understanding between Ottawa and here, have the thing ended as of say the end of this financial year, which was March 31. For persons who have large estates now that might be subject to taxation, cease causing the mental anguish however foolish it might be, cease causing that mental anguish, cease causing anguish to persons who might figure they are going to come into whopping big estates. I know two or three of those. I am sure the member for Fogo is familiar with one or two in his own district as well. Persons who are wondering if the old man is going to be alive six months from now or eight months whenever it is. It seems to me to

cause needless mental and psychological pain and suffering, needless in that there is no purpose for it. Why do we not just end it as of March 31 and forget about it altogether?

I do not know, other members on this side might want to have something to say about it but I would like to know from the minister a more substantial reason than the one already given. I mean six months' notice and breaking an agreement with Ottawa. Well I mean an agreement which is mutually agreed to is not a broken agreement or an agreement to disagree which is mutually agreed to or an agreement to rescind an agreement mutually agreed to is not a disagreement or a breach of faith. I am sure that Ottawa would agree if the minister said to them, "Let us end this as of March 31," I am sure Ottawa would agree with alacrity. I do not see any reason why we should prolong the agony.

MR. SPEAKER: Before I recognize the honourable member for Bell Island it has been brought to my attention, indeed I was expecting this group, we have in the gallery some twenty-one I think, grade XI students from the Greenwood Central High School in Campbellton, from the glorious District of Lewisporte, with their teachers Mr. Sutton and Mr. Sheppard. It is a personal pleasure for me to welcome these persons to the galleries today.

MR. SPEAKER: The honourable member for Bell Island.

MR. NEARY: Mr. Speaker, I do not have too much to say about these three amendments that are before the House except, Sir, that this is typical of the kind of legislation that we have had in this session of the House, Sir, the kind of legislation that only applies to the few and not the majority of the Newfoundlanders.

These three pieces of legislation, the Gift Tax, the Estate Tax Act and the Succession Tax, I think it is called, really, Sir, only apply to a minority group. It applies only, Sir, on the people that are probably concerned more about it than anybody else are, the millionaires, the businessmen, the well-to-do persons, the rich, the wealthy. These are the only ones, Sir, who are really concerned about

these three pieces of legislation.

So it is another example, Sir, of spending our time here in this honourable House debating matters that really only relate to the few. This has been typical of this government, Sir, over the last couple of years. But nevertheless now that the matter is raised I am inclined to agree with my honourable colleague here, Sir. There may be some poor old fellow just clinging on now.

MR. WM. ROWE: Clinging on there, sure.

MR. NEARY: Probably he is just about ready to make his last gasp, worried about what is going to happen to his estate and the Minister of Finance himself, Sir, just admitted a few moments ago that he is on the pill. We read in today's "Telegram." Sir, today's "Telegram" says, "Crosbie's nerves taking a beating." Right up there on page two. The minister is not in very good shape, Sir. He may have a few sheckles. He may have a bit of property kicking around some where or other that he may like to -

MR. WM. ROWE: It is good to see that he intends to last until the end of this year.

MR. NEARY: Yes, he may have a few sheckles or a bit of property kicking around somewhere, Sir, that he would like to leave behind, like to leave to his survivors. The minister maybe is more optimistic than I am, he thinks he is going to last until the end of the year. Maybe he will. I hope he does, Sir. But nevertheless you know, if the minister is going to do it, why not do it now? Why wait until the end of the year? I could not care less myself. This certainly does not affect me, Sir. I guarantee you that nobody will be - actually, Sir, I am worth more dead than I am alive. To be quite honest with you. Nobody is going to inherit any fortune when I pass on, Sir.

AN HON. MEMBER: What about the mushrooms?

MR. NEARY: But Sir, the minister indicated that the province would lose \$500,000 as a result of dropping these three sources of taxation. I wonder if the minister could indicate where he is going to get that



\$500,000? Why not take it out of the hides of these wealthy rich well-to-do persons while they are alive, take it out of their hides while they are alive, never mind waiting until they die to get it? I hope when the Minister of Finance comes in with his Budget next Wednesday or Thursday, first he told us it was going to be in the middle of March, then the minister said it would be next Wednesday, now it is going to be Thursday. His nerves are shot. Can the minister assure us that we are going to get the Budget next Thursday, for sure? Easter is coming, next thing we will have the Easter vacation. We will be up in May.

MR. WM. ROWE: No Easter eggs this year.

MR. NEARY: No, no Easter eggs this year, it looks that way, Sir. But where is the minister going to get this \$500,000 that we are going to lose? Is he going to, in the new Budget, impose a tax on the rich? Is he going to impose a tax on the poor? Will the poor, ordinary Newfoundlander have to cough up this \$500,000? Where is it going to come from? We cannot afford to lose it. I hope when the minister closes this debate, Sir, that he will indicate to the House where he is going to get this \$500,000 that we are going to lose as a result

of dropping these taxes.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. F. W. WINSOR: Mr. Speaker, I have not got much to add to this debate except to say that I differ somewhat with my colleague here, the honourable Member for -

MR. NEARY: Dissension in the ranks.

CAPT. WINSOR: Bell Island. Yes. That this would not only apply to the wealthy of our province, it could very easily apply to a small business company, a company who has built and survived and built up a few assets over the years and on December 31, at 10:00 P.M. that evening, the owner or president of that company passes away; and the company finds itself subject to the succession duty; whereas a friend or acquaintance of the head of that company could pass away at 12:01 A.M. on December 31, and one is taxed and the other is not.

Here I can see where it is unfair. I think the Hon. Minister of Finance, he does not need any persuasion to bring it into effect and have it applicable at either the end of our financial year or a month or two month hence. I do not see why, now that he has made the announcement that we are getting out of this tax as of December 31, 1974, and we are joining company with Prince Edward Island and Nova Scotia, I think the minister is seriously thinking that this would be acceptable to all.

I have had several inquiries from a few small business people, not only in Fogo District but in other districts around the country since this news got out that we would be dropping it on December 31. They have asked me to voice my opinion and make a request to the honourable minister. I would ask the minister to reconsider.

MR. SPEAKER: If the minister speaks now he closes the debate.

MR. CROSBIE: Mr. Speaker, the honourable Member for Fogo did speak to me a couple of weeks ago about this. I did check then but I was told it could not be done but perhaps that might just be bureaucracy at work, so I will check it myself with Ottawa and see if there is any reason why we should not? In the meantime I will move second reading and as long as the bill does not go through third reading we can

always make a change later, if it is possible to do that.

As the Member for Fogo says or stated, of course this bill does not only apply to the wealthier, in that event it depends on what your criterion of wealthy is. Because I think it states \$50,000 and up were subject to tax, unless left to a widow then I think it was exempt up to \$500,000. In addition to which, under the Gift Tax Act, if anybody made a gift, I think it was in excess of \$1,000, he had to pay a gift tax.

It should not be forgotten, it is easy to say it only applies to the wealthy but it is the business community and it is the small entrepreneur and the large entrepreneur and so on that we have to depend upon to develop this province, not only the large ones but all descriptions of them. If we do not have people who are interested in trying to make a dollar and build up an estate and leave something to their children, then they are going to be completely discouraged and we will not be able to build up the province either.

So I will check this at this point, Mr. Speaker, and in the meantime move second reading.

MR. SPEAKER: I understand that by agreement, of course I was not in the Chair when the Orders were called, it was agreed that those two bills would be put to discuss the principle. Or shall I put these individually ?

First, Bill No. 1: A Bill, "An Act to Amend the Gift Tax Act, 1972"

On motion Bill read a second time, ordered referred to a Committee of the Whole House on tomorrow.

On motion a Bill, "An Act To Repeal the Succession Duty Act, 1972." read a second time, ordered referred to a Committee of the Whole House on tomorrow. X

X Motion, second reading of a bill, "An Act To Repeal The Debentures B-24  
Of The Province Act."

MR. CROSBIE: Mr. Speaker, this is a very heavy part of our legislative programme, as doubtlessly the Member for White Bay South will say. It is a very simple act, it repeals the Debentures of the Province Act. Because the Financial Administration Act passed last year now has

provisions which enable us to make regulations to govern the matters that used to be in this act.

It is another example of reform and initiative and improving the statutory laws of this province, tightening our financial status in the world community. I would therefore move second reading.

MR. W. N. ROWE: I do not have much to say on it, Mr. Speaker, except that the minister need not apologize for this type of a bill, on this bill need not feel shy or withdrawn or humble or anything, Mr. Speaker, because it is in good company. It is only like ninety-nine per cent of the other bills before the House, completely, inconsequential and insignificant. It is certainly, well you know there is nothing against it, we have nothing against it. It is an improvement. It cleans up for the legal and financial minds in the Department of Justice and Finance. It makes everything neat and tidy, legislatively, so there is nothing to object to at all. We welcome it as a piece of housekeeping legislation.

MR. CROSBIE: Mr. Speaker, I move second reading.

On motion a Bill, "An Act To Repeal The Debentures Of The Province Act," read a second time, ordered referred to a Committee of the Whole House presently, by leave.

Motion, second reading of a bill, "An Act To Repeal The Property Loss, Reserved Fund Act." *B-47*

MR. CROSBIE: Mr. Speaker, this bill set up a property loss, reserve fund and the purpose of it is to meet the cost of replacing government property destroyed by some destructive hazard or other. There was some money appropriated by the Legislature originally and some crown corporations made contributions for property insurance.

Anyway, as it turns out the only corporation of any substance using this was the Newfoundland and Labrador Housing Corporation, who used it for insurance coverage on some of their buildings. Well it is obviously more sensible for us, Mr. Speaker, where we have to cover any properties for property insurance or fire insurance and so on to do it the regular way rather than having this little property loss reserve fund.

So it is proposed in this bill to close out the Property Loss Reserve Fund Act.

AN HON. MEMBER: How much is it?

MR. CROSBIE: I will have to check, I have not got that information here. It is not very much. It is a few thousand dollars. I will check for the honourable gentlemen. Whatever is in the fund will be turned over to the Consolidated Revenue Fund and any crown corporation that has to take insurance can obtain their own insurance.

As the House knows, Mr. Speaker, it is not the policy of government to carry insurance, fire and general insurance. The government self-insures. Some of the properties of the government which were done under lease-backs a few years ago had to carry fire and property insurance because of the requirement of trust deeds but other than those we do not pay for insurance coverage. The government for example, when the property was destroyed up in Nain last year, then that just had to be met from the revenues of the government, as it was not insured.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Pardon?

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well they pay, that is right, they are not involved in that.

Therefore this legislation is not needed and we feel it should be taken off the Statute Book.

MR. SPEAKER: The honourable Member for White Bay South.

MR. ROWE, W.N.: Before I continue with my remarks, maybe I can get some indication from the minister: Is it a requirement? Is there a legal or financial necessity for crown corporations to affect insurance for any reason? Well I would ask the minister. The minister says no, Sir. He shakes his head, "No." It has been the policy, it was the policy when we were in office and as I understand the minister now, it is the policy at this moment for the government to have what is in effect self-insurance. In other words, they themselves take the risk of anything

happening to government property, the government itself.

It was always the advice tendered to us, when I sat on Treasury Board, that it was in fact cheaper for the government to do that because government property was so large, was so pervasive, worth



so much that the premiums, the premiums that would be paid by the government to insurance companies, insurance brokers, when multiplied by the number of years that the government would own this, this property would cost more than for the government merely to make good a loss as it occurred. The government owns that much property throughout the Province.

Now I asked the minister about crown corporations for a reason. I asked him if there were any legal or financial reason or requirement whereby crown corporations had to effect insurance on property owned by the crown corporation and he said no. So my question Sir, is this: Why does not all the crown corporation property be lumped in with government property and the same reasoning applied to that as a total as is applied to property owned by the government alone? I mean why should crown corporations be wasting money, spending money on insurance anymore than the government should be?

If all government property whether owned by the government itself directly through the Department of Public Works or indirectly through a crown corporation were all lumped together and valued and the premiums which would have to be effected for fire insurance on that property were all added up and multiplied over the years and the risks, the actuarial risks that insurance company could apply to it, if all that were done, all that mathematical juggling were done, I am sure that we would find that it is much cheaper for the government, much cheaper on the taxpayer for no insurance whatsoever to be affected on any government property owned directly or indirectly, directly through the Department of Public Works or indirectly through the various crown corporations.

Now if there were some financial or legal reason why a crown corporation had to have insurance on its property, the property that it owns legally, then obviously we would have to make an exception. If it were necessary, for example, for the Power Commission which is not a crown corporation yet but when it becomes a crown corporation, for it to have insurance on its property before it can borrow money

through the bond markets of the world and if the bond holders insisted on that and the trustees who held the bonds insisted on that there would not be much we could do about it, Mr. Speaker. We would have to say that the crown corporation, the Power Commission or Power Corporation as it would then be called, must effect insurance but since apparently if the minister be correct and perhaps he can speak to this when he clues up the debate, if crown corporations do not have to have insurance then there is no reason why tax dollars should not be saved by the government and the crown corporations getting together and effecting what is probably called or should be called probably self-insurance.

It is one thing for a man, like say the member for Bell Island, a man who is by his own admission practically impoverished and not well off or anything like that.

AN HONOURABLE MEMBER: Just a step away from the welfare officer.

MR. W. ROWE: A step ahead of the bailiff and two steps ahead of the welfare officer. Mr. Speaker, he has to have insurance on his house because if his house be destroyed then he is wiped out financially as is, I would imagine, practically every member with the exception of the Minister of Finance probably but just about every member of this House and everyone in the galleries today and everybody, every normal person, every ordinary person would be wiped out financially if his or her house was destroyed by fire and there were no insurance on it. The mortgage, well you would have to have insurance if there were a mortgage on it, but the mortgage would fall due and the equity of the house would be lost and money would have to be found for more equity for a new house and all that sort of thing. It would be a disastrous financial consequence if a house were destroyed owned by an ordinary citizen and there were no insurance on the house.

When you are talking about a government, Mr. Speaker, you are talking about an institution that owns millions and millions, perhaps billions of dollars worth of property throughout this Province. The government is not in the same position as an ordinary citizen. The government owns so much property and has so much money coming in to

never saw it as bad in this honourable House. Let us have a quorum call, Mr. Speaker, get the members back in the House.

MR. SPEAKER: Would the clerk count the House, please.

There is a quorum.

MR. NEARY: I have twins over in kindergarden who can count a little faster and I ask Your Honour this afternoon if it were necessary for the clerk to count the House or does the Speaker do it, Sir. My understanding of the standing rules of this honourable House is that the clerk is only suppose to count the House when we meet at three o'clock in the afternoon or eight o'clock at night. Every other time the House is counted by the Speaker and if the Speaker does not see a quorum, immediately he adjourns the House without any procrastination, without any undue delay, Sir.

AN HONOURABLE MEMBER: Is he speaking on a point of order?

MR. NEARY: No, I want to get a clarification, on point of information. No, I am asking the Speaker for a ruling. Are we allowed to speak in this House.

MR. SPEAKER: Order, please! I am sure if the honourable member for Bell Island were to look at and read Standing Order (3) on page six, the second paragraph of that Standing Order should make the thing very clear.

MR. NEARY: I will let my colleague, the expert here, Sir, the constitutional expert look into that, do a little research on it and I will take the member's advice.

Sir, I am inclined to agree with the remarks made by my honourable colleague that if there be no need for crown corporations to have insurance then why have it. The minister, Mr. Speaker, has been inconsistent because only the other day we heard the Minister of Mines and Energy come into the House and tell us that the Power Commission had switched insurance companies.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Pardon! Switched brokers, but it is an insurance company, not a broker. It is not like Burns Brother and Denton. It is an insurance company, listed as an -

AN HONOURABLE MEMBER: They fire them out.

MR. NEARY: They fire them out, that is right. In trying to explain the situation or to clarify it, Sir, to clarify the story in the "Evening Telegram" the minister only confused matters and made the situation more suspicious than it was in the first place.

The point I want to make here, Mr. Speaker, is this, that if we are going to do away with this fund and if it be necessary for some crown corporations to take out insurance then I would like for the minister when he is closing the debate to list those crown corporations. Is the Linerboard Mill in Stephenville. Is that one? No, they do not have to insure themselves. Is damage or property loss -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: They are insured but not through this.

Well what I want the minister to do is to list the crown corporations.

MR. W. N. ROWE: Holiday Inns, for example.

MR. NEARY: Yes, that is right. Where it is compulsory to have insurance. If it be compulsory to have insurance, can the minister assure this honourable House that public tenders will be called in all cases where insurance is necessary, that there will be no political patronage, that there will be no favouritism, that there will be no overruling a minister as seems to have happened in the case of the Minister of Mines? The Power Commission recommended one insurance company. The minister apparently brought the recommendation to cabinet. Now either the minister overruled the Power Commission or the minister himself was overruled by cabinet. Can the minister assure us that there will be none of this and that public tenders will be called and that the insurance will be awarded to the lowest tender? That is all I have to say about this, Sir. The fund has not obviously served the purpose that it was intended to in the beginning. Now that we are doing away with it - I think the minister indicated that the St. John's Housing Corporation was probably about the only one who used it. Maybe they used it in the construction, when they had a building under construction.

Mr. Speaker, the minister has not made himself clear on this, Sir. I would like to have further clarification. I would like for the minister to go on public record as stating that where it is necessary for a government agency or a crown corporation to take out insurance, that it be done through public tender and not through under-the-table deals, Sir, or handouts of any kind. I am not saying that this is done, Mr. Speaker, but it has been done in other provinces. I think there are a number of investigations going on at the moment in Ontario in connection with this very same matter, Sir. It has happened in other jurisdictions. I hope that it will not happen here, Sir.

Mr. Speaker, I want the minister to reassure this honourable House that it will not happen and that public tenders will be called and that the company with the lowest tender - no strings attached, Sir, lowest tender and further than that, Mr. Speaker, I would like for the minister to assure that these public tenders will be open in view of the public; that the envelopes will be put in a box, Sir, in a drawer. Remember, Sir, the Minister without Portfolio, the sanctimonious Member for St. John's East, is continuously boasting about the new administration's public tendering system. That is something to boast about, Sir. When we get to the estimates, we will give them something to boast about.

Mr. Speaker, why do they not open the tenders in full view of the public and have representatives of the insurance companies come in? When the minister puts his little hand down in the box or the drawer and pulls up the envelope, if his nerves are not shot, Sir, if he is not too shaky, he pulls up the envelope, opens it up and says, "Crosbie and Company," so and so. Down goes his hand again and up comes the envelope, ripped open, "Munn's Insurance," so much. Down she goes again, up she comes, "Johnsons, Bowings, Steers." My good, old buddy down there (what is his name?)

T. P. Hickey -

MR. EVANS: What about Doyle?

MR. NEARY: What about whom?

MR. EVANS: John C. Doyle?

MR. NEARY: I thought the honourable member was talking about the honourable minister down there. I do not know if they are related or not.

Sir, this is what I would like to see done. It is obvious to me, Sir, that the government is getting more and more into the insurance field. I hear all kinds of rumors about this one getting insurance, that one getting insurance, a group insurance plan



for the employees of the logging operation down in my friend's District of Labrador North and so and so got that - the Linerboard Mill, so and so got that. I thought all this was going to disappear, Sir, when this administration took over - no more favouritism, no more patronage.

Now, Mr. Speaker, I know the minister admitted that George McLean is getting a little bit of patronage. The minister admitted that this was completely in order.

Sir, these are the only things that concern me about this kind of legislation, about doing away with this fund, which might have been a good thing when it was brought in, I do not know. I do not know why the minister did not tell us why the crown corporations did not use this method of insurance. Why did they not? Was it because they wanted to funnel an insurance policy in the way of their buddies or friends? The minister did not tell us that. I would like to know, Sir. If the minister is sincere, I would certainly like for him to put himself on the public record as stating that in future a new policy - the minister has a golden opportunity to announce a new policy in this honourable House this afternoon.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Find out who the real leader on that honourable side is. The Premier as usual is absent from the House. He is not in his seat. The real leader is here. Now is his opportunity to stand up and say; A new policy; every tender for insurance in the future will be open in full view of the public and the press and I do not know but we will bring the television cameras in." What a major reform that would be. Can the minister assure us that this is going to happen? Oh, I am enjoying it so much, Mr. Speaker, that the minister is getting tantalized. His nerves are gone again.

This piece of legislation, Sir, is not going to be earth-shattering for the people of this province. Over in Lance Cove on Bell Island, they are not waiting for us to do away with

this property loss reserve fund. In Ming's Bight, Sir, I am sure that they are waiting for the news down there, Sir, or down in Your Honour's district. I do not know about Stephenville. I imagine the Linerboard people are perhaps interested in it. I do not know if they knew they could - maybe the minister could tell us if they could or if they could not use this fund. I would like to know.

Mr. Speaker, I would like to have a list of all the crown corporations for future reference so that every time we come into the House and we hear that this one got an insurance policy, I will be able to check my list and say, Ah! The minister did not have that on his list on April 5." I hope when the minister closes this debate that he will be able to set my mind at ease, Sir, and answer some of these questions for me.

MR. CROSBIE: Mr. Speaker, if I were able to set the honourable gentleman's mind at ease, I am sure I would be very surprised because he has a very suspicious mind.

AN HON. MEMBER: A small mind.

MR. CROSBIE: No, I would not say small. He mentioned a lot of vacant seats here, I was going to suggest that there were a few vacant minds also, opposite, but I will not do that because that would not be parliamentary and that I would have to withdraw it all.

Now, Mr. Speaker, to put this bill in perspective, these are some of the bills which come up from our officials. Speaking for my own part, I did not even know we had a Property Loss Reserve Fund Act until a few weeks ago when it was suggested to me that it was time that we did away with it. Then I discovered that I was supposed to be a trustee of it. The Minister of Finance is by Statute a trustee of this act.

Now the position of the government as far as the insurance of property and so on is concerned or insurance of automobiles

is concerned, is that the government does not insure its property because the premiums we would have to pay on the huge amount of property that the government owns would be quite tremendous and, therefore, unless we have an absolute disaster or a really heavy loss in some particular year, say the loss of a five or ten million dollar building or something like that, (we have to have one of those every three or four years) it is not worth for government to insure. It is better to self-insure.

Mr. Speaker, there are some crown corporations that have to insure. Now the Power Commission, Mr. Speaker, i.e., has to insure its operations. I do not know how extensive their coverage is but that is required in any event by trust deeds. The Power Commission, of course, has had to borrow a lot of money to put in hydro lines, and transmission lines to develop Bay d'Espoir and the rest of it. They are required by their trust deeds to carry insurance. Now one instance when that was a very good thing was there about three years ago when we had the silver thaw, sleet storm, there was tremendous damage done to the Power Commission's lines between Come-by-Chance and particularly in the neck of the Avalon Peninsula and the Come-by-Chance Area and they had a claim of several millions of dollars which was settled at that time. They were covered by insurance

for that particular purpose. How extensive their coverage is, I do not know.

The honourable gentleman opposite mentioned the story that was in the "Evening Telegram" a few days ago, which is a most peculiar story, Mr. Speaker, because it implies criticism of the government because it had awarded the contract to look after the insurance of the Power Commission to the lowest tenderer.

Now there were two lowest tenderers, therefore, only one can get it. So the cabinet sat there and they went "Deny, Meeny, Mincey, Moe, catch a Negro by the toe. If he hollers, let him go. Feeny, Meeny, Miney, Munn's." That is what happens, it can only be one of two, you see. Munn's had a fifty per cent chance and they got it.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Now if the government, Mr. Speaker, had said that this should go to somebody who were not the lowest, who were not given the lowest brokerage fee, well then one would expect some criticism. One would have to accept the criticism but when it goes to the lowest proposer then it is a bit stiff to have an article in the paper implying that there is something wrong in the State of Denmark, something wrong in the government, something pretty suspicious going on here.

It should have been the headline: "My God! Corruption Rife In Government! Lowest Tender Awarded!" So I think we can pass that one over.

I sympathize with the Member for Bell Island, Crosbie and Company did not get it. It is well known that Crosbie and Company is one of his favourite enterprises. I constantly hear him here praising Crosbie and Company, and Andrew Crosbie and all the Crosbies' with one exception. He has a constant love affair with them. So it is disappointing that his friends, Crosbie and Company, did not get it. But it went to the lowest tenderer, so that should

The article is quite right, Mr. Speaker, the Power Commission were happy with the brokers they had. They wanted to stay with them and recommended that they continue on with them. It is very understandable because Crosbie and Company Limited did a tremendous job, in my opinion, from what I know, for the Power Commission. But it was not to be because by the government's policy it should go to the lowest tendered. The man charge of that policy and most adamant and vociferous and assiduous in seeing that this is a government policy is our own House Leader, the Honourable Mr. Marshall, for St. John's East. So that is what happened in that instance.

Now I want to mention Mutual Life - A question was asked here the other day by the Member for White Bay South. Did we have an agent of record for the group insurance plan? Now, Mr. Speaker, some members of the opposition seem to have very suspicious minds. This government introduced a great step forward for the employees of the government, we brought in a group insurance plan, life and some medical benefits for the employees of the government. A lot of work was done on that by a committee of government officials and the treasury board and other government departments. They used the leading man up in Ottawa to advise them, who looks after the federal insurance, this kind of insurance in the federal government. They had the Firm of Kates, Peat, Marwick advise them with their actuary and their experts. Proposals were invited from all insurance companies. I forget how many of them submitted proposals, there were at least I would say a dozen, as I remember it. Eventually this committee recommended that it should go to Mutual Life, who are I think one of the two or three lowest and who also promised to put an office here in the province, that they would have an office here to service this whole business.

Now there is no agent of record on the government's group insurance plan. There would only be an agent of record if there were a brokerage situation or a middle man between the policyholder who is us and the company. So there is no agent of record. No one associated with Mutual Life who is now a member of this House, for example, is a record agent on



this policy. There is no agent of record. Everything is one hundred per cent correct. No one is getting a rake-off. No one is getting anything and NAPE of course, in any event, have to be involved in all of this because their members are the ones that we are insuring. So there is no middle man or no agent of record.

AN HON. MEMBER: Inaudible.

MR. CROSBY: Well I am not going to get into an argument with the honourable gentleman on that, just suffice it to say that NAPE had their own insurance plan which was in desperate straits last year and we have rescued the whole thing and now all of their members and all government employees are getting insurance at a very reasonable rate. So there is no agent of record.

The only commissions may total around 1,000 a year and Mutual Life will be distributing them to about twenty commission agents in the more isolated areas of the province who are going to be called upon to operate the plan and who will not have any other remuneration.

Now the Labrador Linerboard Limited is owned by the crown but it is not an ordinary crown corporation, it is a commercial operation. It is insured and had to be insured and should be insured the same as Bowaters are insured or Price are insured. As far as the fire and the general insurance out there and the liquor boiler insurance, the black liquor boiler apparently is particularly dangerous, insurance on that was arranged in 1972, when Donald D. Dick and Kates, Peat, Marwick were operating it. The insurance broker I believe, Reid Shaw I think it was in those days they were selected because they are experts in the field of insurance in the pulp and paper industry and very familiar with the whole process. When that comes up again I presume that proposals will be invited and perhaps some Newfoundland broker will get it. But that is who is the broker for that insurance.

Now on the fringe benefits out on the Labrador Linerboard Mill, I think as I have said in the House before, and at Stephenville itself now, the employees fringe benefits proposals were requested in August 1972, by Kates, Peat, Marwick, from eight companies. Canada Life was the one



recommended as being the best, and Canada Life got the business and  
there are no commission agents involved in it at all. There were no  
commission agents in that.

So all of these little dirty suspicions that crop up in people's  
minds, that seem to poison the atmosphere here in this province, are  
all completely incorrect. Hear this here, the mill properties insured  
through Reid, Shaw, Stenhouse. They were appointed brokers May 16, 1972,  
for a three year period, by K,P,M and D.D. Dick. Now that is the government's  
policy generally and it is their policy not to insure, the government are  
self-insured.

We just had a claim the other day, just as a matter of interest,  
where we had to pay I think the amount was \$35,000 because of a piece  
of negligent driving by an employee of the Department of Forestry and  
Agriculture a few years ago. He was not insured, he was driving a  
government car which was not insured and the injured party sued and we  
had to pay \$35,000 because we had no insurance -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: No I think they got a judgement in court and we paid  
the court judgement.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Yes.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Right.

Some crown corporation have to insure because of the nature of  
the business they are in. So I think that covers that, I cannot give  
the honourable gentleman a list.

Now in this particular act here, the assets in it are \$188,000,  
Someone asked what was in it. That is mostly in the form of cash. That  
will go into the consolidated revenue fund. It has not been used in  
recent years. The Newfoundland and Labrador Housing Corporation has  
occasionally used it but where they are required to insure sometimes  
by the federal government, they have to insure these projects like  
the subsidized rental ones and so on, they can go out and call bids  
and get insurance in the normal way.

So our policy, Mr. Speaker, in insurance as in all things, is wherever it is possible to call for tenderer and the lowest bidder would get it. Now the only other major insurance the government have are on these ten or twelve lease-back arrangement with the Grace Hospital, the University and so on, where it is required by the trust deeds. That insurance was all placed before we took over. It was placed I think for three years and spread among different brokers in St. John's here, there are about five or six of them, all have some of it. As far as I know, that has not changed since. As the policies come up there will probably be, not probably, there would be invitations for the insurance companies to bid on it and that is the way it will be dealt with.

So I think I have covered the various points that were brought up, Mr. Speaker, and I therefore move -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Good. I now move second reading.

+ MR. WINSOR: Mr. Speaker, I wonder if

the minister would permit a question before he takes his seat? More than a year ago, I think it was in December of 1972, there was a bad fire at Nain when the retail store and warehouse and nine months of supplies were destroyed by fire. Was there not any insurance carried on this? No insurance?

MR. CROSBIE: No, there was no insurance carried on that, Mr. Speaker. We just wrote off, I forget the exact amount but it was over \$300,000 we had to write off the other day which the province had to write off representing the loss.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Well, the federal government pays ninety per cent of the operation up there - so ninety per cent of that would be theirs.

MR. ROBERTS: They had a loss of \$3 million?

MR. CROSBIE: No, no, three hundred and some odd thousand.

MR. ROBERTS: Our net loss was ten per cent of \$300,000?

AN HONOURABLE MEMBER: \$30,000.

MR. CROSBIE: Well, all of this goes through our books. That is what we wrote off and so on.

On motion a bill, "An Act To Repeal The Property Loss Reserve Fund Act, read a second time, ordered referred to a Committee of the Whole House presently by leave. X #

B-45 Motion second reading of a bill, "An Act To Amend The Assessment Act."

MR. CROSBIE: Well, Mr. Speaker, in the absence of the Minister of Municipal Affairs, I would just point out to the House that this deals with the Assessment Act which governs property assessments in the municipalities of Newfoundland. This makes provision for an appeal from the decision of the Court of Revision.

Under the bill, Mr. Speaker, any person who does not agree with his assessment can appeal to the Court of Revision and the municipality appoints, usually it is a lawyer but it may not be, someone like that to act as a Court of Revision to hear all the assessment appeals. This would now make provision so that one could appeal from a Court of Revision

to a judge of the District Court in that judicial district. So, if one were not satisfied with the Court of Revision, then one could appeal that assessment to a District Court judge.

So, it is providing further redress for the people who may object to their assessments. I therefore move second reading.

On motion a bill, "An Act To Amend The Assessment Act" read a second time, ordered referred to a Committee of the Whole House presently by leave.

Motion second reading of a bill, "An Act To Amend The Department Of Municipal Affairs And Housing Act, 1973." B-44

MR. MARSHALL: Contrary to most of the bills we bring in, Mr. Speaker, this is just a housekeeping bill. The Minister of Industrial Development is charged with the administration of the Development Areas Land Act. This bill would delete from the Department of Municipal Affairs and Housing Act any reference to the Development Areas Lands Act and put it within the jurisdiction of that minister.

MR. NEARY: Mr. Speaker, I presume this is the bill that has to do with the land control, the land development, the land freeze around the outer regions of the city, it removes it from one part to another part. So, Mr. Speaker, I think it would be quite in order to have a few words, Sir, about this land freeze. The minister is not in his seat, Sir. How many do we have now? Two, four, six, eight, ten, eleven. Sir, I think it is time we got them back in their seats again. There are only twenty-one vacancies over there now, Sir.

MR. SPEAKER (MR. STAGG): I presume the honourable member is calling for a quorum although I did not hear his request.

AN HONOURABLE MEMBER: Call for a quorum please.

MR. SPEAKER (MR. STAGG): I heard no call for a quorum.

AN HONOURABLE MEMBER: Well, could we have a quorum call, Mr. Speaker?

MR. SPEAKER (MR. STAGG): Would the clerk count the House please?

We have a quorum.

MR. NEARY: Mr. Speaker, this bill merely transfers the so called land development areas from the Minister of Industrial Development to the Department

of Forestry and Agriculture.

I am glad, Sir, that during the quorum call that we got the honourable minister back in his seat because what I am about to say, Sir, may be of some interest to that honourable minister. Sir, I do not know whether it were legal or not. It is only now the government is making it legal. I do not know whether it were legal or not for the minister to declare -

MR. CROSBIE: On a point of order, Mr. Speaker. I submit, Mr. Speaker, that the only matter that can be discussed when we are discussing the amendment to this bill in second reading is whether this should remain with Municipal Affairs or be transferred to the Minister of Industrial Development, that discussion and anything further is quite out of order.

MR. ROBERTS: Mr. Speaker, to that point of order and I submit the point is for once well taken. All my colleague is doing is talking about the administration of it and he is going to say obviously that the administration of it should remain with the Minister of Municipal Affairs and not be moved to the Minister of Industrial Development.

My colleague was about to say that the way in which this has been administered by, I might add, the Minister of Forestry and Agriculture is proof positive that the matter should remain with the Minister of Municipal Affairs and not with the Minister of Industrial Development. We shall doubtless, Sir, have to oppose this bill. Therefore the honourable the Minister of Finance's point is well taken but my colleague was just about to make the point that the matter should remain with the Minister of Municipal Affairs and not be moved to the Minister of Industrial Development.

MR. NEARY: That is precisely what I was going to say, Sir, because the honourable minister made such a fool of himself by announcing half a policy on behalf of the government, Sir, that I think it is time to move it.

What I am asking, Sir, is, was it legal? Apparently if it were otherwise the Minister of Justice would have leaped in boots and all. Sir, what we have today is utter confusion as a result of a decision that was taken by the minister under this bill. The minister can try to split hairs all he wants. It is a land freeze, Sir, that we see in the outer regions of

St. John's. People are up in arms and almost in open rebellion as a result of this decision.

They started down in Portugal Cove with a meeting. They are circulating a petition now down in Torbay. They had a public meeting down in Flat Rock the other night. There are all kinds of criticisms and protests and complaints to the commission of enquiry that was going around, the St. John's Urban Region Study. Yet the minister refuses, the government refuses to budge. The people are almost in open rebellion and the minister, Sir, refuses to budge.

This was the honourable crowd, Mr. Speaker, that was going to bring government to the people, going to listen to the people, we were told. It is a land freeze, Sir. A person today living in the outer regions of St. John's, in the Goulds, Bay Bulls, St. Phillips, Portugal Cove, Indian Meal Line, Torbay, Outer Cove, Pouch Cove, Flat Rock could have a couple of hundred acres of land, Sir, and be forced to go on welfare because of the minister's policy. Does Your Honour realize that?

He could not even allow his son, Mr. Speaker, to build a house. It has been the tradition in Newfoundland - excuse me, Sir, I am not in very good voice today - it has been the tradition in Newfoundland, Sir, for



land owners to be able to say to a son or daughter, "Look, here is a little building lot here. You can build here -

MR. SPEAKER: Order, please!

MR. MARSHALL: The honourable the member for Bell Island is speaking about measure taken under the Land Development Areas Act. That is under the jurisdiction of the Minister of Forestry and Agriculture. It does not relate to this particular act itself. This is an act, the Development Areas Lands Act, that lies entirely under the Minister of Industrial Development, so he is out of order when he is speaking about actions that had been taken under another act. I mean he cannot expand the debate in order to make in effect a throne speech.

He will have adequate time to talk about that.

MR. SPEAKER: While I was not in the Chair to follow the previous debate on this, it appears that the honourable member for Bell Island is not keeping to the principle of the bill in question now. He knows if he is or if he is not, I am sure. If he is not, I suggest he speak to the principle of the bill in question.

MR. NEARY: I bow to Your Honour's ruling, Sir, but there will be ample opportunity, Sir, to get into this matter that I referred to some time ago.

Sir, what I fail to understand at the moment is why we have the development areas under two separate government department. Why is this necessary? We have the Minister of Agricultural who has the power to declare development areas. We have the Minister of Industrial Development who had the power. We are now transferring power to the Minister of Municipal Affairs and Housing. Why was this jurisdiction placed under two departments, Sir? No wonder we have confusion. No wonder people do not understand where they are today with regard to their land.

AN HONOURABLE MEMBER: It is an attempt to confuse the people.

MR. NEARY: I do not know whether it is a deliberate attempt or not, Sir to confuse the people but you have - Let us say the Minister of Municipal Affairs and Housing, let us say that he ignored his colleague, the Minister of Agriculture, that he had no communications with his colleague, the

Minister of Agriculture and Forestry, none whatsoever, they were not speaking to one another, for some reason or other they fell out and they were not talking to one another and the Minister of Municipal Affairs says, "Down in Torbay I am going to declare a development area under the Lands Act" and then the Minister of Agriculture has already declared a development control in that area. Then what would happen? Which department would overrule the other?

AN HONOURABLE MEMBER: Two separate acts.

MR. NEARY: Two separate acts, but which department would supersede the other?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Ah, Mr. Speaker, that is exactly the point and that is why I was in order. Sir, the land that is frozen, Sir, is not agricultural land. It is all the land, all the land, Sir, and that is why I am in order, Mr. Speaker. That is precisely the point.

Transferring this jurisdiction from one department to another, Sir, is absolutely useless. While the land freeze is in effect, the Minister of Municipal Affairs cannot use his authority, cannot exercise his authority because bedrocks, forest land, bogland, agricultural land, everything is frozen at the moment.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I beg your pardon!

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Sir, it is not even. There is no indication that it is going to thaw out in the spring or the summer.

Mr. Speaker, I think there are two, four, six, seven, eight, nine, ten, there are now Sir, twenty-two vacant seats on the government benches. Can we get them? I wonder if my colleague, the member for White Bay South, will go out and bring them in.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: So, Sir, even if we do agree with this bill, Bill 46, An Act To Amend The Department Of Municipal Affairs And Housing", even if we do, Sir, the minister is sitting there helpless because of half of

a policy that his colleague, the Minister of Agriculture, has brought in, freezing all the land and making no provision for the government to buy it, trampling on land owners' human rights, trampling on their civil rights, Sir. No wonder they are almost in open rebellion - and yet they are getting the deaf ear; nobody on the government benches is paying any attention to what is going on.

Sir, it is going to be a long, hot summer and if something is not done pretty soon - the Member for St John's North knows the feeling around the outer regions of St John's, because a large portion of the honourable member's district comes under this land freeze; Portugal Cove, St Phillip's, Indian Meal Line, Pouch Cove. The honourable member, if he should want to, could stand up and verify what I am saying. It is true.

Sir, it is true that a man, even if the Minister of Municipal Affairs says; "Okay! You can go ahead and develop that piece of land" or "You can give that to your son or daughter to build a house on," as is the tradition in this Province, then the Minister of Agriculture says; "No; and if you want to appeal my decision, take it to the Supreme Court."

How many persons in this Province, how many ordinary little persons who own a little piece of land in the outer regions of St John's can afford the expense of a lawyer or the time that is necessary to take these matter and get them before court?

The minister had better stand listening. I hope, Sir, as a result of this passing of this bill that the Minister of Municipal Affairs and Housing will be able to beat some sense into the Minister of Forestry and Agriculture and get him to - he either has to do one of two things, Sir. He has to do it or get off the pot. What he has to do, Mr. Speaker, is this: He either has to make provision for the government to purchase all the land, all the agricultural land, at the current prices or he has to freeze it.

AN HONOURABLE MEMBER: (Inaudible.)

MR NEARY: Pardon? The government. The government have to do it.

MR. NEARY: Mr. Speaker, you cannot have half a policy. Nobody, Sir, nobody has any objection to protecting the agricultural land in the outer regions of St. John's. Nobody has any objection to that but if a poor old farmer, Sir, wants to get out of the business there should be provision for the government to buy his land at whatever the going rate is.

MR. ROBERTS: Confiscation without payment is what it is.

MR. NEARY: That is what it is, Sir.

MR. CROSBIE: I spoke once to point out that the only subject that could be debate here is whether one minister should do it - the minister is involved with another. The Leader of the Opposition got up and agreed with me. He said I was right on. "Right on," he said. Now the Member for Bell Island completely ignores this, discussing all kinds of irrelevancies when all he can discuss is: "Should Municipal Affairs do it or Industrial Development do it?" Now anything he utters, other than that, is completely irrelevant.

MR. W. ROWE: Mr. Speaker, we agree with the point of order raised by the Minister of Finance and again he is right. The only thing you can discuss here is whether one minister should do it or another minister should do it. This is exactly what my colleague is talking about. He is giving reasons why, in his estimation, the thing has been botched completely by a certain minister and is now being botched by another minister. I would say the burden of the honourable member's argument is that neither minister should do it. He is giving his reasons, Sir, and surely a member of the House is entitled to give reasons why he thinks a particular minister should not have jurisdiction over this particular field.

MR ROBERTS: Another of the rules coming up. Another of the witch hunts, wisardries.

MR. W. ROWE: I submit, Sir, that Your Honour should dismiss the point of order as specious.

MR. SPEAKER: This is the second time I rise to remind the honourable member for Bell Island that it is the opinion of the Chair that he is not speaking to the principle of this bill in question now and I suggest

that he be very careful with regard to which bill he is speaking on.

MR. NEARY: Now, thank you, Your Honour. I am just looking at the explanatory notes, "An Act To Amend The Department of Municipal Affairs And Housing Act, 1973." The Minister of Industrial Indevelopment is charged with the administration of the Development Areas Lands Act. This bill would delete from the Department of Municipal Affairs and Housing Act, 1973, any reference there into the Development Land Areas Lands Act. Well, Sir -

AN HONOURABLE MEMBER: Give the reasons why that should not be done.

MR. NEARY: The reasons -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: How many hours do we have, Sir? How many?

AN HONOURABLE MEMBER: Unlimited time.

MR. NEARY: Unlimited time.

MR. ROBERTS: They have not got the guts to call the motion.

MR. NEARY:

Mr. Speaker, to be quite serious about this, the ball has just been bouncing from one department to another. It is only going to add to the confusion that we already have. I know what the Minister of Finance is getting at, Sir. He is trying to steer me away from the controversy, from the protests, from the howling, roaring, bawling and screeching that he is hearing from people, the landowners in the outer regions of St. John's, in the honourable minister's own district, Sir. He must be getting scared. He is scared that one of these days there will be a demonstration out in front of this building.

Mr. Speaker, I forecast, Sir, that before too long, there will be a major demonstration unless this land freeze, as a result of this bill being passed, Sir, this so-called land development area, is lifted. There are going to be major demonstrations, Sir. People are only beginning to realize now the implications of it. They did not get it the first time. Newfoundlanders do not twig too quickly, Sir, but when they do, God help the government. God help them. It is finally sinking in. They are beginning to realize what is happening. I know the Minister of Finance is going to get up on a point of order again.

MR. CROSBIE: Does the honourable member realize that if he should get a moose hunting licence this year, he will not be allowed another one until 1976? Does the honourable member realize that?

MR. NEARY: The kind of animals that I am hunting this year, Sir, are not four-legged animals, they are two-legged animals.

AN HON. MEMBER: They are not as intelligent as moose.

MR. SPEAKER: Order please!

MR. NEARY: But, Sir, I do not think it really makes any difference because it is the government's philosophy that matters, not whether you transfer this jurisdiction from one department to



another, it is their philosophy, Sir, that counts. If they are going to trample on people's rights, without any prior consultation, without any inventory of the land being undertaken, Sir, if they are going to do this, well you cannot stop them. It is typical, Sir, of the kind of government that we have had in the province in the last couple of years. They are getting more dictatorial all the time, Sir. This is a classic example, Mr. Speaker, of the type of decisions that we have had by this administration in the last couple of years.

Mr. Speaker, do you know what they do when they want to announce a policy? The minister (it does not make any difference if it is transferred from one department to another or not) will merely put out a press release, via Newfoundland Information Services, and that is their policy. How ridiculous, Sir! That is how the people in the outer regions of St. John's, the landowners, that is how they got the news of this policy, in a press release.

Let us have a quorum call, Mr. Speaker.

MR. SPEAKER: There is a quorum

MR. NEARY: Mr. Speaker, I hope that when the minister closes this debate, when I take my seat, that the minister can clear up some of these matters because these matters are of very grave concern today, Sir, to people in the greater St. John's Area, the people who live down around the Goulds, Sir. This Development Area Lands Act, Sir, will affect land down around the Goulds, Bay Bulls, Torbay, Outer Cove, Loggy Bay, Pouch Cove Flat Rock, Paradise, St. Phillip's, Thorburn Road, St. Thomas Line, Porgugal Cove, Indian Meal Line, Bauline, Hogan's Pond, where my honourable colleague lives and Maddocks Cove. There is a place in Portugal Cove I used to go, Sir, when I was a young boy -

AN HON. MEMBER: That was not yesterday.

MR. NEARY: No, it was not yesterday. The minister is right for once in his life, that was not yesterday, unfortunately. It

is called the Prince's Lookout. The Prince's Lookout, Sir, is about as barren an area of Newfoundland that you have ever seen in your life. The Member for St. John's North knows where it is. Many a time I strolled up on the Prince's Lookout, Sir, just a big rock, a big boulder up on top of the hill overlooking Conception Bay, a beautiful view. Mr. Speaker, that today is classified as agricultural land. Did Your Honour know that there is a freeze on? Sir, I do not know if any of the members have been in Portugal Cove or are familiar with Portugal Cove. It is stretching I suppose from where the ferry docks, stretching, Sir, almost down to Bauline. One would come right up around where the ferry docks and one would go right up beyond the Roman Catholic Church where there is a huge mountain, Sir. Why a tree cannot even grow on it. It is sloping down towards the sea with big boulders. It looks like the Lord was so mad when he made Portugal Cove that he threw boulders at it. There are big boulders there, Sir. Do you know, Mr. Speaker, today that that is classified as agricultural land? It is no harm to say that Tory times are poor times or bad times.

AN HON. MEMBER: (Inaudible).

MR. NEARY: But, Sir, this is an utter disgrace. Mr. Speaker, there is no indication that it is going to get any better. The Minister of Agriculture tells us that there will be an inventory done in the spring, when the snow goes off the ground. How about if the Minister of Municipal Affairs and Housing or the Minister of Industrial Development; "Look, because of the desperate housing shortage in this province, we are going to start a big housing development down towards the Goulds or we are going to go down to Torbay and start a big housing development." What does the Minister of Agriculture do then? What does he do? It is a wonder he did not declare Grose Morne Mountain agricultural land. It is an utter disgrace, Sir, to this administration. I can understand

the feelings of the people. This is not going to change it, Sir. This bill, transferring the responsibility of the development areas from one jurisdiction is not going to change it. It will probably make it worst.

The Minister of Industrial Development, Sir? Why the Minister of Industrial Development? Why? Why not leave it where it is? Why change it? We did not hear any good reason for changing it. They do not trust the Minister of Municipal Affairs.

AN HON. MEMBER: (Inaudible).

MR. NEARY: "You'r diggin 'em, Dillon!" He has to get his two cents worth in, Sir.

Mr. Speaker, this is a very, very serious matter. I would ask the government, I would appeal, beg the government to reverse their policy on this land freeze at once. Do it. It is the right thing to do. Do not be stubborn, contrary, did not dig their heels in. The ministers who are on the government benches, as wise and as smart as they are, can be wrong. They are wrong in this case. They were ill-advised by the minister responsible, they were ill-advised. It was a hasty decision. It is obvious that it was a hasty decision. There was no thought put into it. The Minister of Mines and Energy can do better than that, Sir. He can do better than that. He is a member of the cabinet. I am sure when this matter came before cabinet that the minister could have put a little thought into it and said, "Now what are going to be the repercussions of this?" They are drastic, Sir.

Mr. CARTER: May I ask the honourable gentleman a question?

A comment or a question? A question, sure I will permit a question.

MR. CARTER: Mr. Speaker, is the honourable member for Bell Island aware that this agricultural land freeze is of a temporary nature until an evaluation is done of all the agricultural land in the area. Obviously the various hills and mountain tops are not genuinely agricultural land but until a proper assessment is done, and a proper survey made, all that can be done is to generally ascribe certain land agricultural and then when a proper assessment is done to subdivide or reclassify all this land.

Now the honourable member is quite correct when he says that I should have a great deal of interest in this matter but I hope that the honourable member for Bell Island is aware that this is of a temporary nature and not of a permanent nature. Is the honourable member aware of that?

MR. NEARY: No, Mr. Speaker, I was not aware that this was of a temporary nature. The minister who announced this policy did not say it was a temporary thing. As a matter of fact, Sir, the very point that I am making was that all the things mentioned by the honourable member should have been done before a policy was announced. The inventory should have been -

MR. CARTER: It could be too late.

MR. NEARY: Mr. Speaker, it could be too late. Is the honourable member serious that in a matter of a year that the whole picture was going to change? Sir, the land has only been there for 500 years.

AN HON. MEMBER: Is that all?

MR. NEARY: How long has it been there? 500 years. It has been there 500 years, not a spud, not a carrot, not a root magot I suppose, not a wireworm, no slugs, nothing, Sir. The poor old wireworms down there would starve to death. The root magots would not have a chance, Sir, because there was no food there for them to eat.

So this is wrong, Mr. Speaker. It is wrong. You know I have more than just a passing interest in this matter, Mr. Speaker, because

under redistribution, Sir, a large part of my honourable friend's district will come under a new district called Portugal Cove - Bell Island and then the Development Areas Lands Act, Sir,-

AN HON. MEMBER: Inaudible.

MR. NEARY: It does not apply to Bell Island. It will not apply to Bell Island, fortunately. We are going to be on our own over there I hope unless they transplant the whole community, which we are fighting against. But under the new Development Areas Lands Act, Sir, it does not make any difference what department it comes under, it will effect a large part of my new district of Portugal Cove - Bell Island, from St. Phillips down about a tenth of a mile down the Indian Meal Line.

AN HON. MEMBER: They will not be allowed to build there.

MR. NEARY: They will not be allowed to build there. I will not be allowed to. Mr. Speaker, if I carved out the district myself I could not have done a better job, carved it out myself, I could not have done a better job, traditionally Liberal. I have got it made. If the honourable members, they are over there gloating over the fact that the -

AN HON. MEMBER: Inaudible.

MR. ROBERTS: Their gain is our loss. He is over here.

MR. NEARY: They are going to have their opportunity to get rid of me. Well I have got news for them, Sir.

AN HON. MEMBER: Inaudible.

MR. NEARY: I would like for the honourable member to go down in Portugal Cove,

call today and see what they think down there.

I had the opportunity, Sir, to attend the commission of enquiry studying the St. John's Urban Region Study, in Portugal Cove. I did not see the honourable member there in the interest of his constituents. I was there, Sir, and they are very concerned about development under the Land's Act in that area. They are very concerned about it.

AN HON. MEMBER: So they should be.

MR. NEARY: "So they should be" the member says and rightly so, because their civil rights are being trampled on. Mr. Speaker, there is going to have to be more development in that area. There are sections of the Portugal Cove - St. Phillips Area, where you cannot put in water and sewerage. They have to stick to the artesian wells and they have to use septic tanks. I doubt very much if that will change even after the St. John's Urban Region Study is over. There will have to be a new housing development in that area, Sir. There will have to be. People want to build down there.

There will have to be a new road, probably, built down to Portugal Cove to accommodate all the traffic that will be going back and forth there. This will all have to be done under the Development Areas Land Act, Sir, or whatever it is called. So, it is a very important measure and it is one that I think should be given a lot of careful attention in the future. This is why I cannot understand why it is being flung over on the Minister of Industrial Development. It is not Industrial Development, Sir, that we are referring to here.

Housing development, agricultural development, maybe some industrial development, industrial parks and that sort of thing: It is too bad the Minister of Industrial Development is not in the House to explain this move, Sir. There are a lot of aspects of this that need to be gone into. If I strayed a bit from the principle of the bill, Your Honour, well, I just could not help it, because, Mr. Speaker, this is a very emotional issue. It is, Mr. Speaker. Every day you pick up your paper, every time you turn on "Hotline" or whatever it is, "Letters to the Editor", people calling me up on the phone all the time



as they are probably calling the Member for St. John's South, protesting this. It is an emotional issue and it is going to explode. Mr. Speaker, it is going to explode in the government's face if they do not do something about it.

Do one of two things, I would say: Buy the land, what they consider to be agricultural land at whatever the prevailing rate is, whatever the going rate is and unfreeze the rest of it. Let nature take its course. If an old gentleman down in Torbay should want to give his son or daughter a piece of land to build on then he should be able to do it as he always has. He cannot do it today, Sir. He cannot do it. (C A N'T, he can't do it.) Because of that honourable crowd over there, Sir, he cannot give his son or his daughter a piece of his own land, and could be forced on welfare even though he owned a hundred or three hundred acres of land.

MR. CARTER: Would the honourable member permit a question?

MR. NEARY: Sure I will permit a question because this is a serious matter.

MR. CARTER: Any building lots outside of the municipal areas, where municipal services cannot be brought or installed, a person has to accept a minimum lot size. It can vary. It can be five acres, sometimes it can be less, it depends upon the topography of the land. Now, following the honourable member's line of argument, one would have to say; "Look, if I cannot sell out n-th building lots, that is five or six to the acre, I am being hard put upon. Therefore, the government should buy out my land because I cannot prime in five or six houses to the acre. Even with the most liberal "Housing Policy" land outside a development area has to be restricted to two, three and possibly as high as five acres.

I am perfectly certain that when this agricultural assessment is completed, that the land that is not fit for agriculture will be released for building, but still on this very restricted scale because the people who build in these areas will be forced to supply their own services and they will have to have enough land to supply those services. Does the honourable gentleman

realize that. I am talking about very dense building even under the best of circumstances.

MR. NEARY: I agree with that in certain parts of the region that we are talking about. I agree that certain parts of the region should be kept rural you know, there should not be any mass building going on you know. For instance on the other side of Windsor Lake I think you could have a nice little development going back off the road there. But I do not think it should be built up into a big metropolis and I think that is what the member is trying to say. I do not agree with that. I think people like to get out and be in the fresh air and out in the country.

MR. CARTER: To be connected by municipal services in all areas say from Cape St. Francis down to Holyrood therefore in order to allow unrestricted building one would have to say three to five acres is the minimum.

MR. NEARY: Yes in areas where they do not have water and sewerage, of course they have to do that, Mr. Speaker, but I am talking about a sort of an organized development where they can put in water and sewerage facilities and they can do that in areas - there are areas down, for instance in the Portugal Cove Area, where they can still do that, down on the Bauline Line where this can be done.

But under the law as it stands now, Sir, with the dictatorial attitude and the arbitrary decision taken by the Minister of Agriculture and the government, why a man cannot even sell his son a piece of land for \$1 if he wanted to. He cannot do it, Sir. I do not know, perhaps the minister can clarify whether he could will him a piece of land or not. We had this very same argument about Gros Morne National Park, Sally's Cove and Trout River when the people had the feeling they were being forced out of their communities and the minister came in and made the great announcement that they could stay there now as long as they wanted to but he forgot to add that they could not transfer the land or they could not will it to their sons or daughters. They had to sell it to the government.

What happens now with all this frozen land around St. John's? Will the government buy it? Can it be transferred? Could he sell it to his son or daughter for \$1? I heard the minister saying, "Oh yes, we have handled dozens of cases. People have appealed it." They have appealed it to the minister. But, Sir, if the minister does not like the cut of jaw or the minister does not like the colour of his hair, "Oh he is an NDP," or "Oh he is an Irishman," or "He is a Scotsman," or "He is an Englishman," or "He is a Bell Islander," or "He is a Liberal," or "He is a Tory." What will the minister say then, Sir? How about if somebody calls up and says, "Look Mr. Minister, I object to that person building a house there because he is a Progressive Conservative or because he is a Liberal or because he is a bay wop or because he is a townie." The minister says, "Okay, good enough, fair enough, we are not going to grant a permit to that person to build there." It is in the hands of the minister and the minister says, "If you do not like my decision, appeal it to the courts." How many of these poor little land owners around this area, Sir, can afford to hire expensive lawyers and go through months and months of agony down in the courts. Half the people, Sir, are afraid to go to court, do you know that? The people in this province are frightened to death of courts? I was frightened to death of courts myself, Sir, until that honourable crowd became the administration and I have spent more time now inside the - Look I am becoming an expert, Sir, a jurisprudent.

I know this is not relevant, Sir, but I am learning a few things.

MR. EVANS: Inaudible.

MR. NEARY: They would like to see a number on my back, Sir, if they could but they will not. They will not. They will not, Sir, there will be a number of honourable members on the opposite side behind bars before I will. But, Sir, this is a very, very serious matter and the minister must know that. The government must know it. My

God! Are they listening to the people at all? Do they have their finger on the pulse at all of what is going on? If they did it down in Labrador West you would hear a howl, if they did it down in Marystown you would hear a squeal, if they did it anywhere, Sir.

It is the work of a government, Sir, that has no feeling whatsoever for the real needs of the people, and I appeal to the minister once more. I have done it time and time again and I am going to do it again, appeal to the government to reverse their policy. Why should the people have to wait for the spring thaw to do an inventory. It should have been done before. Why does the minister not reverse his policy then do the inventory. Why must the people suffer while the minister sits in the driver seat and says, "Come on your hands and knees, come begging on your hands and knees and

I might give you a permit and I might not." It is not right, Sir, not right and I said in this honourable House yesterday, we are seeing things happening in this honourable House, Sir, not in this honourable House but in this Province. Every day we are seeing examples of the type of tyranny that we saw in Europe before the Second World War. I am not going to lose my credibility because it is true.

So, Sir, if this government have any sense of responsibility, any feeling at all for the people, if they are interested at all, if they are sincere in what they say, what they said in two provincial general elections, that they wanted to bring government to the people, that they were going to consult with the people before they took any major decisions, if they are sincere, Sir, or if they have any feeling at all for the people of this Province, then I ask them in all sincerity and honesty, with all the energy and with all the strength that I have I ask them to change this infamous policy of theirs.

Sir, I will tell you one thing. I will make this public statement now, Sir, that if there be a demonstration, and I am talking about a peaceful demonstration now, I am not like the Minister of Finance who advocated civil disobedience, I will gladly carry a placard in my hand, Sir, in support of their cause, and the old self-professed member of the Human Rights Society over there should do the same thing. This is -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, no! Ah! I am not going to fall into that trap, Sir.

MR. ROBERTS: The only attempt at inciting a riot is when the member is, when the honourable member for Bonavista South goes to his district and they get hold of him.

MR. NEARY: Here is a case for the Human Rights Association.

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. NEARY: Here is a case for the Human Rights Association. Why have they not picked it up? Why? Are they - Ah! It is only temporary, Mr. Speaker. It does not make any difference if it be only for one second, Sir, it is wrong. It is wrong.

AN HONOURABLE MEMBER: The honourable member is getting carried away.

MR. NEARY: I am not getting carried away. I would be one of the first, Sir, who would be out there carrying my placard, fighting for freedom, what is left of it in this honourable Province.

I hope, Sir, that as a result of my few remarks made, Mr. Speaker, I am not making these right off the top of my head, Sir. It is not off the cuff. There has been a great deal of thought which has gone into this, because I have a lot of representation. Believe me, I have!

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: He wishes. He what?

AN HONOURABLE MEMBER: Doing a good job.

MR. NEARY: Doing a good job for what? I am not trying to overshadow my leaders.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: We had a courageous and glorious and gallant leader, Sir.

MR. ROBERTS: Peter Cashin says he is the best opposition member since Sir Michael. He also likes "Frank's" style.

MR. NEARY: That is what I am trying to do today. I am trying to live up to the high ideals and expectations.

HONOURABLE MEMBER: (Inaudible.)

MR. NEARY: Get what?

AN HONOURABLE MEMBER: That shows how serious they are.

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, this is very serious, not to be sneered and laughed at or jeered at.

The people in the greater St. John's area, Sir, are very, very concerned about this development control, this land freeze and you can split hairs all you like, Sir, you can be as technical as you like, Sir. Do you know now the only defence the minister has, Sir? He says, "Oh! It is not a land freeze. The people listen when I say it is not a land freeze. It is only a development control area, only development control". This is all he says, that it is just development control.

Sir, it is a land freeze. Why does the minister not listen to



the people, instead of trying to convince, to persuade the people to listen to him? Because it is a land freeze, Sir. If I owned a piece of land - Now, Mr. Speaker, the land freeze only applies to certain people too. Your Honour would be surprised, Your Honour would be surprised at a half a dozen individuals who are very conveniently left out, left outside of that land freeze.

The minister gave us a list of those who were carved out.

AN HONOURABLE MEMBER: Name names.

MR. NEARY: Yes, I can name names. Does he want me to name them?

AN HONOURABLE MEMBER: No, no!

MR. NEARY: No, I

will not, Mr. Speaker, but I know who they are.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Strike it off the record as unsaid.

MR. ROBERTS: The same way the honourable gentleman was struck out of the cabinet.

MR. SPEAKER: Order, please!

MR. NEARY: Sir, if one ever saw the way that this was drawn up and blueprinted. They are coming down here and the next thing so and so lives here, so they swing in this way and then come back out again when they pass each property and then they go on another bit.

AN HONOURABLE MEMBER: That is not true?

MR. NEARY: That is true.

AN HONOURABLE MEMBER: No, I do not believe that. That is not true.

MR. NEARY: Then they go on another bit. Well, how was it drawn up? Will the minister tell us how it was drawn up? How were the boundaries defined, Mr. Speaker? How were they defined?

AN HONOURABLE MEMBER: He would not understand.

MR. NEARY: I would not understand. I understand it. I saw the description of the boundaries.

Mr. Speaker, it is getting near six o'clock. I move the adjournment of the debate.

MR. SPEAKER: Let it be noted that the honourable member for Bell Island has adjourned the debate on the said bill.

MR. MARSHALL: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Monday at three o'clock in the afternoon and that the House do now adjourn.

On motion the House at its rising adjourned until tomorrow, Monday, April 8, 1974, at 3:00 P.M.