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VERBATIM REPORT

THURSDAY, JUNE 19, 1975

SPEAKER: THE HONOURABLE M. JAMES RUSSELL

The House met at 11:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

ORAL QUESTIONS:

MR. SPEAKER: The Hon. Leader of the Opposition.

HON. E. M. ROBERTS (LEADER OF THE OPPOSITION): Mr. Speaker, in the absence of the Premier perhaps the Minister of Justice could answer a question. I would like to know the situation with respect to Goose Bay. There seems to be a great amount of controversy, Statements which the Premier has made have been contradicted by the Prime Minister, I am told,or by officials at Ottawa. But what is the situation at Goose Bay? There has been ample warning given in the House by the Member from Labrador North of the fact that, you know, we are heading for difficulties,if in fact -

MR. SPEAKER: Order, please! The Hon. Leader of the Opposition is now proceeding to make a speech.

MR. ROBERTS: No, Sir, I am not. I am asking a question. What I am saying is what is the situation? The Premier has made some statements which have been contradicted,I am told,by the Prime Minister. But could the Minister of Justice tells us where the government stands? Oh! We have got a new Minister of Justice.

MR. SPEAKER: The Hon. Minister of Fisheries.

HON. J. C. CROSBIE (MINISTER OF FISHERIES): Mr. Speaker, as the members of the House know who were here yesterday,or who listened to the media, I was directed by the Premier to communicate with Mr. MacEachern on this situation,which I have done. Now yesterday the Premier spoke to the Prime Minister,yesterday morning, who knew nothing about this alleged new situation in the Goose Bay area, and he said he would check and have Mr. MacEachern communicate with me. So last night I spoke with Mr. MacEachern and the situation is,as I am told by Mr. MacEachern,the Secretary of State for External Affairs that he has no new information on the U.S.A.F's position at Goose Bay and the air base at Goose Bay.

Several years ago, as all members of the House know, the U.S.A.F. reduced their operations at Goose Bay or they gave up their rights, whatever they were, to the airport site, and since that time they have continued to have a reduced operation there, and as tenants of the Department of Transport of Canada who have taken over the air base

and the facilities there. That lease expires on June 30, 1976. Mr. MacEachern says that he has heard nothing in recent weeks, days or months to indicate whether the Americans have decided or reconfirmed, I suppose, that they are going to leave on June 30, 1976 when a lease expires, or whether they wish to renew the lease for some longer period. He has not had any indication from them. He therefore proceeds on the assumption until he hears from the United States of America that on June 30, 1976 they are going to leave since that is the time the lease expires. But there has been no recent communication to him or to his department or to him anyway, as far as he knows, that the United States has made the decision either to stay on longer or to reconfirm that they are leaving on June 30, 1976.

So therefore the recent news report does not appear to be a report about something new having happened or some new development that we have not been informed about, but rather it is just somebody in External Affairs verifying that on June 30, 1976 the lease entered into by the U.S.A.F. or the Department of Transport expires. Well, that has been known, of course, since the lease has been entered into, about two years ago or whatever date it was entered into.

The American officials here in Newfoundland when questioned on the matter say that their instructions are any statements in this subject have to come from the Department of External Affairs at Ottawa. We have checked with the Minister of External Affairs, the Secretary of State for External Affairs, who says there is nothing new in this situation that has come to his attention. If there is he will certainly let us know as soon as they have any new information on that.

In the meantime there is a Goose Bay Task Force that was set up several years ago, chaired by a federal official in the Department of Regional and Economic Expansion, and their work continues. But I believe that the - although this has to be checked - but I belive that there has to be at least a year's notice given by the U.S. if they want to renew that lease. So presumably there is going to be some

definite indication from them shortly as to what they plan to do. But once we know definitely what they plan to do then the Goose Bay Task Force or whatever other agency or work is required, or task force whatever input is necessary to ensure a smooth transition And to see that the people affected get new employment or are transferred to other employment those steps will be put into an urgent status and there will be a year to do all that is possible to see that the people involved get employment and that the transition is as smooth as possible.

So I can only tell the House what I have been told by the Secretary of State for External Affairs, and what I was also told by Mr. Jamieson who I talked with this morning, that as far as either of these gentlemen know there is absolutely nothing new that has been communicated to the Government of Canada in the last days or weeks, and the situation is as I have said it, as they have reported to me. In the meantime they are going to investigate this in more detail or attempt to ascertain exactly what the intentions of the U.S.A.F. are which they will let us know about as soon as they know them.

So in other words the situation is no different today than it was forty-eight hours ago or two weeks ago or two months ago. And that is really all we can report to the House on it, except that the federal people are looking into the whole situation thoroughly and if there is anything to report they will inform the Newfoundland Government, and both governments will proceed, in that event, to see that everything possible is done at Goose Bay as has been done in other areas to see that the employment of these people, that they get alternate employment, and that the Goose Bay area continues to develop in any way possible.

So that is really all I can say on it at this time, Mr. Speaker. That is the result of my conversations with the Secretary of State and Mr. Jamieson.

MR. SPEAKER: The Hon. Leader of the Opposition.

MR. ROBERTS: I thank the minister for a very full and complete answer. It seems to let it rest. Are we to assume essencially that the press

reports are just ill-founded,or speculation to begin with, and are ill-founded speculation. There has been, you know, an immense amount of heat generated, but apparently remarkedly little light. You know am I safe in,or are the people - Hold on now! It is hard to ask a question when the minister is not able to listen because somebody else is speaking to him. Are we correct if we

assume that, as I said, the reports in the press - you know, today's Daily News features it all over page one, and yesterday's Telegram and yesterday's News had it, and the CBC and the private stations have had it - are speculation and in the event, ill-founded speculation.

MR. SPEAKER: The honourable Minister of Fisheries.

HON. J. CROSBIE: I believe what it is - it is a bit of a puzzle, Mr. Speaker - but I believe what it is is that somebody call External Affairs and ask them or their press officer, you know, is the U.S.A.F. leaving Goose Bay June 30, 1976. This is my supposition now as to what happened, and that he said, oh, yes, their lease expires June 30, 1976. So I think that is how this all originated. And it is quite true that their lease expires June 30, 1976. Therefore from that you can assume that they are going to leave then unless they indicate some other intention. But that is not the same as - you know, the U.S. still has to let the Government of Canada and us know whether they are going to leave on that date or whether they want it extended. This they have not yet done. They either have to confirm, yes, we are going at that date, or if they want to stay on longer, and this has not been done yet. But I think myself that is how, you know I mean, I do not think it is just made up by the press. I think that is how the story got started.

MR. SPEAKER: The honourable Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, a further supplementary. Could the minister indicate to the House what is the notice period under the lease? I do not think the lease document has ever been made public. If so, it has not been tabled in this House. It is a federal agreement, I assume, between the Government of Canada and the Government of the United States. It may even be classified under some sort of security reasons because it affects defence establishments. But could either the Minister of Fisheries or the Minister of Industrial Development, who I think has a great deal to do with this in that capacity, indicate at what point the Americans as tenants are required to let us know, to

let the Government of Canada know and thus to let the people of Newfoundland and particularly the people of the Goose Bay-Happy Valley area know, whether they intend to renew their lease when it expires twelve months from now or not. I think part of the speculation, the question that has been asked is that I believe people are under the impression, Mr. Speaker, that there is a twelve month notice, you know, that on the thirtieth of June, 1975 the Government of the United States has got to notify the Government of Canada whether they intend to renew their lease when it expires twelve months hence or not. I think that is probably the reason the matter has arisen now.

If the ministry are not aware of the answer, and they may not be, would they undertake please to find out and let the House know preferably today or tomorrow, if at all possible. A phone call to Ottawa should give the information.

MR. CROSBIE: We do not know the answer. Mr. Speaker, the position is that we do not have the lease in our hands. This is a matter between the U.S.A.F. and the Department of External Affairs, which department closely guards the rights that it is to represent Canada externally in foreign affairs. We do not have a copy of the lease. I asked Mr. Jameison this morning that very question, you know, do they have to give a year's notice or do they have to indicate before the final year if they want to renew it or what the date is? He thinks or he thought it was twelve, you know, a year, it was something to do with a year there and he is going to check on the matter. But I mean we will have to check with the federal authorities and I have already asked them to let us know exactly what that situation is. When we get the information we can give it to the House.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. P. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Forestry and Agriculture. Could the minister inform this House if the previous rates that were applied to the pastures

throughout the Province, the rates last year, would they apply also this year or is there an increase in the rates?

MR. SPEAKER: The honourable Minister of Forestry and Agriculture.

HON. H. COLLINS: Mr. Speaker, there has been no increase in the pasture rates.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Health. Could the Minister of Health inform this honourable House if he or his department is taking any action as to the possibility of legalizing denturists in this Province?

MR. SPEAKER: The honourable Minister of Health.

HON. R. WELLS: Mr. Speaker, after the report of the Select Committee this matter went under review

and study in the Department of Health. It has not been forgotten, and as I say the department and officials in the department are working on it. There is nothing obviously to come before or has come before the legislature this session. But, I should imagine by the next session of the legislature we will be in a position to report to the legislature and before that, of course, to government as to what is proposed.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Provincial Affairs. I presume this is - I am not sure if this is directed properly or not. Could the minister inform this honourable House as to what date the ombudsman will open his office and where will his office be?

MR. ROWE: That goes to Justice.

MR. THOMS: Well, could I direct the question to the Minister of Justice?

MR. SPEAKER: The honourable Minister of Justice.

HON. T.A. HICKMAN (MINISTER OF JUSTICE): Mr. Speaker, I suspect that that question should be more properly directed to Your Honour seeing that the ombudsman is a service of the House and not of the government.

MR. F. ROWE: You cannot ask a question of the Speaker.

MR. HICKMAN: This morning when I was driving I heard the ombudsman on an open line programme and he was asked that question. He said that - I distinctly heard him say that he was aiming to open an office on July 1 but he is still in the process of finding an office accommodation.

HON. J. ROUSSEAU: (MINISTER OF TRANSPORTATION): May I start -

MR. SPEAKER: The honourable Minister of Transportation and Communications.

MR. ROUSSEAU: I have received, as acting Minister of Public Works and Services, an official request from the ombudsman for the Department of Public Works to procure space for them and officials will be contacting him. We are in the process, I presume. I had the call

yesterday. So, I presume that the officials of the Department of Public Works will be now attempting to find a place for the ombudsman and his office.

MR. THOMS: Mr. Speaker, could the Minister of Justice inform this honourable House approximately what number of staff the ombudsman will have?

MR. HICKMAN: That would be an impossible question to answer. It is a speculative question. I have not the foggiest idea. The act provides that the ombudsman has the right to hire adequate staff. I am sure that he, being a very competent and prudent man, will not rush in and hire any more than are required. But the number-I have no idea. I would imagine a lot will depend, that the staff will grow as the enquiries grow.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: Mr. Speaker, if I could get the attention of the Minister of Mines and Energy? Privately yesterday I brought to his attention the fact that there was a fire at the shed at the Daniels Harbour mine site and he said he would check it out. I was wondering if the minister could give a brief and concise report -

MR. SIMMONS: No way!

MR. F. ROWE: - on how this fire would affect -

MR. SIMMONS: No way!

MR. F. ROWE: - the start up date of the zinc mines -

MR. SPEAKER: Order, please!

MR. F. ROWE: - of the zinc mine at Daniels Harbour and how it would affect, if at all, the employment in that particular area at the present time?

MR. SPEAKER: The honourable Minister of Mines and Energy.

HON. L. BARRY (MINISTER OF MINES AND ENERGY): Mr. Speaker, by coincidence I had an appointment arranged with an official of, one of the vice presidents of the Teck Corporation for yesterday afternoon on another matter, and the honourable member raised that point with me and I raised it with the official who himself had only just a short time before learned of the fire. As I understand it

there was a garage burned and there were certain air compressors, two air compressors destroyed.

MR. DOODY: The asbestos plant burned down.

MR. BARRY: The official was not quite sure just what the extent of the damage was. I am not sure if the minister has heard this morning.

MR. DOODY: He was in touch with Vancouver and it will be known today.

MR. BARRY: The damage, the amount, the cost.

MR. DOODY: No, I do not know. One of the sub-contractors was on the job last night.

MR. BARRY: The figures that I heard range from $250,000 to $750,00. So, I am not clear just what the extent of the damage was. Yesterday afternoon the vice president thought that it could result in some unfortunate delay in commencing the project, but I understand this morning the Minister of Industrial Development has been speaking with the same gentleman who has since been in touch with the head office of the company and it looks as if there need not be any delay in commencing the operations,which is fortunate if that is the case.

It would be too bad if this operation,which has proceeded very well so far, it would be too bad if it was delayed by what presumably was an act of God. But, it looks at the present time as if there should not be any delay in the commencing mining operation.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. ROWE: I have a question for the Minister of Health, Sir. In view of the correspondence that I had with the former Minister of Health with respect to a medical clinic to serve the St. Barbe North area, and this is pending the success of a medical clinic in the St. Barbe South area, the one in Port Saunders - if the medical clinic in Port Saunders turns out to be a successful experiment, I have been promised that there would be a medical clinic established in St. Barbe North - I wonder if the minister could indicate to the honourable House, Sir, whether or not a medical clinic is planned for the St. Barbe North area, in the area of Flowers Cove, and I think this will take the nature of the renovation of the existing nursing station in Flowers Cove at the present time, could the minister bring us up to date on that please, or undertake to get the information?

MR. SPEAKER: The honourable Minister of Health.

HON. R. WELLS, MINISTER OF HEALTH: Mr. Speaker, a decision has not been made yet on the matter which the member raises but I would be glad to receive any representations from him and depending on the outcome, you know, the success of the other nursing station, it will be taken a very close look at and any representations would be gladly received.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Municipal Affairs. Could the minister inform this honourable House if he has made any announcements as to water and sewer projects throughout this Province, and if not does he plan on making any announcements in the near future.

MR. SPEAKER: The honourable Minister of Municipal Affairs and Housing.

HON. A. B. PECKFORD, MINISTER OF MUNICIPAL AFFAIRS AND HOUSING: Mr. Speaker, yesterday morning, starting nine o'clock yesterday morning telegrams were sent to all the municipalities in the Province from which we received requests, if their requests were successful for such assistance for water and sewer. So as of today, now I would say by five o'clock this afternoon, every municipality that has approval to proceed with funds for

water and sewer systems, improvements to systems and this kind of thing will be informed by five o'clock this afternoon.

MR. THOMS: Supplementary, Mr. Speaker, I wonder could the minister inform this honourable House exactly what projects were approved?

MR. SPEAKER: Order, please! That answer would take a considerable length of time if the honourable member is thinking not only of his own district but province-wide and the Chair has no intention of letting the honourable minister go down through a whole list of projects for a provincial viewpoint.

MR. THOMS: Mr. Speaker, could the minister then inform this honourable House how many projects were approved.

SOME HON. MEMBERS: Hundreds and hundereds.

MR. PECKFORD: Mr. Speaker, I do not know exactly. I have not counted them but I can say, and I am pleased to say, that upwards to $20 million worth of projects have been approved which in my opinion is a significant number of dollars and will mean a significant dent in the need for water and sewer facilities throughout the province.

MR. THOMS: I must say it is certainly better than 1973 when we only had three projects approved.

Mr. Speaker, I wonder could the honourable minister -

MR. MURPHY: St. John's Centre has neither one.

MR. THOMS: - attempt to table the information in the House as to which -

MR. SPEAKER: Order, please!

MR. ROWE: You could not get a sewerage system big enough for the minister!

MR. SPEAKER: The honourable Member for Twillingate.

MR. GILLETT: I have a question for the Minister of Transportation, Mr. Speaker, I wonder if the minister would be kind enough to tell me at least in the Twillingate district whether or not he has made plans to increase the amount of equipment to do the job in the Twillingate district. There is a very serious shortage of equipment and I understand the trucks have been in Grand Falls, lying there for

months unrepaired.

MR. SPEAKER: The honourable Minister of Transportation and Communications.

HON. J. ROUSSEAU, MINISTER OF TRANSPORTATION AND COMMUNICATIONS:

Is the honourable member talking about the summer maintenance programme?

MR. GILLETT: Yes.

MR. ROUSSEAU: The immediate one? I do not have the answer. I will undertake to get it for the honourable member and give it to him privately if he wants to or publicly in the House if he wants it. But I will check sometime during the day on the status of the equipment in Twillingate.

MR. GILLETT: A great shortage.

MR. SPEAKER: The honourable Member for Hermitage.

MR. SIMMONS: A question for the Acting Minister of Public Works; I wonder would he indicate to the House whether any decision has been made with respect to the rental of office space for government purposes.

MR. SPEAKER: The honourable Minister of Public Works and Services (Acting).

MR. ROUSSEAU: Mr. Speaker, as we suggested we had six proposals which we made a statement on at that time. These were analyzed by the officials of the Department of Public Works. As the honourable member knows and the House knows, of course, we had a public opening. The analysis took some time,

At the same time, and coincidental with this, we also suggested that we were updating the figures in respect to our own building, and we had to go to Ottawa to the Bureau of Management Consulting which had done a previous study on this, and this was received during the past week or so. The proposals now or the analysis of the proposals plus the cost figures for our own building are now before cabinet. And I would anticipate, as I have said, an answer within two weeks, It may be less or so, but cabinet is presently considering it and within two weeks, maybe three weeks we should have an answer.

MR. SIMMONS: A supplementary. Do I assume from what the minister has said that a possibility of extending the present building or putting an additional building in the immediate vicinity is still being looked into seriously?

MR. ROUSSEAU: Yes.

MR. SIMMONS: That is one of the options that the minister is still considering or cabinet will consider, is that correct?

MR. ROUSSEAU: Yes. You mean for ourselves or -

MR. SIMMONS: Yes.

MR. ROUSSEAU: Oh no, It would be in government's view highly desirable to have the building on the Confederation Complex. There are certain factors, traffic flow and so on that we would have to consider, but certainly it is highly desirable. So we are looking at all of the options, all of the proposals. They have been analyzed and government will make a decision imminently, within the next two weeks, give or take a few days, I would hope.

MR. SIMMONS: A supplementary to the minister. In the event that option is selected, the option of providing space in the immediate vicinity either as part of this building or a separate building, would one of the four companies which submitted the proposals be the only companies considered for provision of space in that way or would a new tender be called to provide such space?

MR. ROUSSEAU: Beyond what I said now I cannot give any details until it is discussed by cabinet. You know, when government makes a

decision the honourable member will be the first to know. Some of the companies that did make presentations on the building here in the area as well as with their other proposals.

MR. SPEAKER: The Hon. Member for Hermitage.

MR. SIMMONS: I wonder if the Minister of Mines and Energy has been able to get the information he undertook to find yesterday in connection with the possible layoffs in the Newfoundland Hydro because of the central billing?

HON. MEMBERS: Oh, oh!

MR. BARRY: No,as a matter of fact.

MR. SPEAKER: The Hon. Member for St. Barbe North.

MR. F. ROWE: Mr. Speaker, I would like to follow up on the questions asked by my colleague from Bonavista North to the Minister of Municipal Affairs and Housing. Has the minister's department sent out to these councils telegrams whose applications were rejected and giving them the reason for the rejection of their applications?

MR. SPEAKER: The Hon. Minister of Municipal Affairs and Housing.

HON. A. B. PECKFORD (MINISTER OF MUNICIPAL AFFAIRS AND HOUSING): No, Mr. Speaker, we have not done that yet because we have been so busy trying to get the telegrams out to the councils that have had their requests approved. But we will be in touch with the other councils because we have a full list of all the requests. So we will be able to get in touch with the other councils as well.

MR. F. ROWE: Will the minister, Sir, indicate whether, number one, the list so far is a final list, and undertake, and promise the House of Assembly that he will be sending telegrams off to the councils who have been rejected or refused for some reason or other. Will they get these telegrams? And is the list at the present time final and complete, and will he table that list?

MR. PECKFORD: Mr. Speaker, I think those questions could be relegated to the Order Paper.

MR. F. ROWE: You did have the guts to send out ....

MR. SPEAKER: Order, please!

MR. F. ROWE: ... that is wrong.

MR. PECKFORD: Grow up boy!

MR. SPEAKER: The Hon. Member for Bonavista North.

MR. F. ROWE: Politics in the extreme.

MR. P. S. THOMS: Mr. Speaker, the Minister of Mines and Energy has departed so I will keep my question until he comes back.

MR. SPEAKER: The Hon. Member for Fogo.

CAPT. E. WINSOR: Mr. Speaker, I was going to direct a question to the Hon. Minister of Transportation but he is taking a quick puff there so I will just wait until - do not rush. Could the Minister of Transportation inform the House if the contract for the Gander Bay Loop Road, that is from Gander Bay toward Carmanville, has been let, if so, who are the contractors?

MR. SPEAKER: The Hon. Minister of Transportation and Communications.

MR. ROUSSEAU: You know, I do not have detail. I can get it for the honourable member. But I can assure the honourable member that whichever tender was the low tender will be the company who gets it. The actual name of the company I can again inform him I will check. I know we called for four different contracts, two five mile units on each side of that in the total contract. So there may be as many as four companies involved in that area. I know there were some tenders opened yesterday morning, and I think some of them might have been the one on the area that the honourable member mentioned. But I will check today and give it to him privately as to each of the four.

MR. SPEAKER: The Hon. Member for St. Barbe North.

MR. F. ROWE: Sir, I wish to give notice that I was not satisfied with the minister's answer and I wish to debate it during the late show this afternoon, please, and I will submit it in writing.

ORDERS OF THE DAY:

On motion that the House resolve itself into a Committee of the Whole on the said bills. Mr. Speaker left the Chair.

A bill, "An Act To Amend The Regulation Of Mines Act." (No. 66)

On motion Clause (1) through (3) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act To Limit The Financial Responsibility Which May Be Incurred By The Province In Respect Of Newfoundland and Labrador Hydro Without Further Reference To The Legislature."

On motion Clause (1) through (4) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act To Ratify, Confirm And Adopt A Guarantee Agreement Made Between RoyMarine Leasing Limited And The Government And Fishery Products Limited."

On motion Clause (1) and Clause (2) carried.

MR. CROSBIE: 1974 should be 1975. Clause (1) there should be comma 1975.

On motion Clause (1) as amended carried.

On motion Clause (3) and Clause (4) carried.

MR. CHAIRMAN: Shall the schedule carry?

MR. CROSBIE: There is one correction on the schedule, on page 12 of the schedule. In the top line the word 'the' should go in before the word mailing. So it would be following the mailing thereof. Okay. Have you got that?

MR. CHAIRMAN: Shall the schedule as amended carry?

MR. CROSBIE: No. Wait now. Page 13, schedule A, fifth or opposite the fourth period there should be 100.6933 instead of 0933.

MR. CHAIRMAN: Shall schedule A as amended carry?

MR. CROSBIE: Then down four lines opposite eight where it says 93.5763 it should be 93.5753.

On motion, schedule and schedule A as amended carried.

Motion, that the Committee report having passed the bill with some amendment, carried.

On motion that the Committee rise, report progress and

ask leave to sit again. Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed bills number 66 and 71 without amendment and having passed bill number 67 with some amendments and ask leave to sit again.

On motion report received and adopted, bills ordered read a third time presently by leave.

On motion that following bills be read a third time, ordered passed and title be as on the Order Paper.

A bill, "An Act To Amend The Regulation Of Mines Act."

A bill, "An Act To Limit The Financial Responsibility Which May Be Incurred By The Province In Respect Of Newfoundland And Labrador Hydro Without Further Reference To The Legislature."

On motion amendments to Bill 67 read a first and second time. Bills ordered read a third time presently by leave.

A bill, "An Act To Ratify, Confirm And Adopt A Guarantee Agreement Made Between RoyMarine Leasing Limited And The Government And Fishery Products Limited."

On motion second reading of a bill, "An Act To Impose Taxes On Income From Mining Operations Within The Province And On Income Obtained Or Derived From Persons Holding Rights To Mine." (Bill No. 63)

MR. SPEAKER: The honourable Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, this is a significant piece of legislation in that it is the first significant change in the mining tax regulations in this Province in many years. One of the first steps that this administration took when it came into office was to look at the situation with respect to the revenue derived from the resources of this Province including the mineral resources but also forestry, agriculture, fishing, a general survey of all our resource based industries, to determine whether there was adequate direct revenue coming to government, adequate benefits to the people of the Province whether directly or indirectly. In discussing this piece of legislation

we have to keep in mind that the mining tax is not the only benefit that a Province receives from a mining operation. We have to remember that the employment that is derived from mining operations, the sales tax, the corporate income tax and the personal income tax paid by employees, all of these have to be kept in mind and the mining tax has to be looked at in this context.

Now, we find a situation that has existed in Newfoundland where the mining tax has not been adequate. Not only has government come to this conclusion, not only did the task force of officials that we initially set up to look at it come to the same

MR. BARRY: conclusion, not only did the consultants that were then set up to zero in specifically on the things that should be done with respect to mining tax, not only did they also come to the same conclusion, we also had the Royal Commission on Mineral Revenue which then took off from where the consultatnts stopped, provided the opportunity for people throughout the Province, for companies and all interested parties to make representation, not only did they come to the same conclusion that there was not an adequate mining tax system in this Province but I submit, Mr. Speaker, that this has been the concensus with respect to the ordinary Newfoundlander for many years, that the Province is not obtaining enough in the way of direct revenue from the mining operations of this Province. So we decided that this should be changed and we set out to change it. And I would submit, Mr. Speaker, that in this legislation, when you consider the fact that the Royal Commission was not set up until last Spring, that they brought in their report - one of the fastest reports of any royal commission late last Fall, that the report was only released back this January - Where are we now? February, March, April, May, June, approximately five months ago - and that we are now proceeding with legislation, Mr. Speaker, directed towards the subject matter of this Royal Commission, I think it indicates that we have given this matter some priority and that we have taken fast, direct action in this very important area.

And I have to say here that we would not have been able to get this legislation before the House had it not been for an awful lot of hard work put in by officials of both the Department of Mines and Energy, the Department of Finance, and the Department of Justice, specifically the Deputy Minister of Mines and Energy, the Assistant Deputy Minister for Mines, Mr. John McKillip and Mr. Fred Lukins and Mr. Lawrence Spracklin, an economist with the department, all put in many hours under a lot of pressure to get this legislation ready and Mr. Howard Hillier of the Department of Finance, the mining tax assessor, and Mr. George Macaulay, from the Department of Justice, the draftsman, all of these gentlemen worked under very trying circumstances under a lot of pressure, under a very

tight schedule to get this legislation prepared so that it could be presented before this House in this session.

Now, Mr. Speaker, I would like to point out that we are not putting this bill forward as a model act, as the ideal in mining tax law. This is not a perfect act. It is far from perfect. There are areas that we have to do further work on, specifically I would refer to the provisions of the legislation dealing with the deduction of expenditures on exploration, the sections of the act dealing with processing allowances, the section of the act dealing with depreciation allowances. These and other technical areas are so complex, there are so many ramifications both for existing mining operations and for future operations that we concluded it would be impossible to have legislation that directed itself to changes in these areas ready for the House at this particular time in this session. So we had to make a decision: Would we postpone the legislation? Or would we bring in legislation that, as I say is not perfect, is not ideal, but goes a long way towards setting up the level of mining tax that should be appropriate in the Province, sets the broad guidelines, the general guidelines, removes a lot of uncertainty that was being felt in the mining industry, because ever since really the Royal Commission was appointed the mining industry has been wondering what is going to happen and uncertainty can lead to a falling off in investment in the mining industry. We did not want to see this so we decided that the best policy would be to bring forth this

legislation which, as I say, does not complete the work, does not complete the task.but goes a long way in that direction, And we will continue over the next several months or a year, however long it takes, to add the refinements, the subtleties, the nuances that may be necessary to make this legislation as good as any found anywhere in Canada.

The other point, of course, is that if we had put off this legislation there would be significant revenue loss to the Province in this current year. It is our belief that too much revenue has been lost over the past years to permit any further losses and that it was necessary for us to take immediate action as quickly as possible. So, that is why, as I say, there are areas here where we are not saying the act is perfect, but generally it goes a long way towards setting out proper guidelines for the operation of mining companies in the Province, and in our opinion it is legislation that is long overdue.

The main benefits of the act as submitted to the House are, first, that we will remove the situation we have had in Newfoundland where we have had an unrealistic mining tax rate, a mining tax rate that is outdated, that is much below that of any other province. The current rate as you know as set out in the Mining Tax Act is five per cent. That rate is the lowest in Canada. The mining companies, most of the mining companies that made representation to us agreed that that was a ridiculous rate and it was much too low and that , there should be some realistic, reasonable increase.

This act that is now before the House would increase the mining tax from the current five per cent to an effective rate of sixteen per cent for most operators. Now, I say for most operators, and I say sixteen per cent even though you will not see sixteen per cent referred to in the legislation because you have to look at two different sections of the act, Mr. Speaker, in order to get the total tax on operators because it is broken down into two parts. It is a tax, a mining tax on operators and we also have a mineral rights tax. Part two imposes a mining tax of fifteen per cent on certain income and part three imposes a further tax of twenty per cent on other

income and this part three whereas the first part imposes a mining tax, the second part imposes what we would call a mineral rights tax.

This is done, Mr. Speaker, in recognition of the fact as set out by the Royal Commission on Mineral Revenue that there was significant revenue being derived by certain companies who had originally held mining rights and who had transferred these to other companies, significant revenue being received by such companies that was not subject to the mining tax and where a government was not receiving a share of such revenue. So, we have put forth, incorporated the principle in this bill that in addition to the normal mining tax that both operators, and we will call them landlords, both operators and people who receive rentals, royalties and like payment from operating companies, that both of these types of companies or individuals should pay a mineral rights tax, a tax on revenue that they derived from the right to mine, the right to mine that they have obtained from the people of this Province.

When you look at the combined effect of the fifteen per cent of mining tax and the twenty per cent of mineral rights tax on the respective portions of income, you have an effective rate of tax on

operators of sixteen per cent - sixteen per cent as opposed to the current five per cent. And the tax on revenue received by landlords, or by the recipients of rentals, royalties, or other payments for mining operations, that rate of tax is at the rate of twenty per cent, whereas at the present time there is no tax on such revenue.

We have to, Mr. Speaker, when we are talking about the mining tax or the mineral rights tax, we have to look at the total tax burden that will be incurred by companies in this Province. We have to look at the mining rights tax and mineral tax in the light of the existing corporate tax, both federal and provincial. And as you know, Mr. Speaker, the current federal corporation tax rate is twenty-five per cent reducing to twenty-one per cent over the next three or four years. The current provincial corporate tax on mining companies is thirteen per cent. So you have your existing corporation tax of twenty-five per cent and thirteen per cent, or thirty-eight per cent on profits.

And, Mr. Speaker, there is some merit in the argument that if we had a more effective or a more adequate corporation tax system, there is some argument, Mr. Speaker, that you may not have any need for a mining tax at all. Because if you accept the further principle that is set out in this act, and which differs from one of the recommendations of the Royal Commission, the principle that your tax should be a percentage of profits rather than so much per ton or so much, a certain percentage of the value of production, if you accept that the principle, as we submit it should be, that you tax profits, that is the best way of government obtaining direct revenue, then what does it matter if you take it all in one form through a corporation tax or if you take it from both a corporation tax and a mining tax?

Well the reason it matters at the present time in Newfoundland is because - this is one of the most shocking things that came out of the Royal Commission Report in our further investigation - is that the existing method of imposition of corporation tax, and the existing

rules with respect to the allocation of corporation tax between provinces, results in a significant loss of revenue to this Province, to other provinces. Now granted we would say we will get it back by way of equalization or -

MR. ROBERTS: How does that happen?

MR. BARRY: Pardon?

MR. ROBERTS: How does that happen?

MR. BARRY: Well it is a very complicated set of regulations, but I will - if I can just - and I have them here, and I will not go into too much detail on it. But -

MR. ROBERTS: It is a sweeping generalization, and what is the support for it?

MR. BARRY: I intend to if the honourable member would permit me.

We have a situation where there is a set of regulations that provides for the allocation of corporation tax between provinces where you have a company operating in more than one province.

MR. ROBERTS: These are federal regulations.

MR. BARRY: These are federal regulations, but if a province permits the federal government to collect a corporation tax then we go along with these regulations, If we do not, of course, we take over the collection of our own corporation tax. And I might say, Mr. Speaker, that this is an area that is being examined as to whether there is any advantage of our government getting involved in the collection of its own, either corporation tax for mining companies alone or corporation tax generally. We have requested the Department of Finance to look into this.

At first glance the problems, of course, are the fact that you then have to gear up large staff, technical staff to get involved in the actual mechanism for collection and so on which is now being paid for by the Federal Government. We would have to determine whether the potential benefits outweigh the additional cost. But I will just give you an example of an area. Well, first of all, the allocation of corporate tax between Provinces is based on a set of federal regulations that takes note of the, well first of all obviously the income that is earned in each Province, but also where the head office or the actual working offices of the corporation are, where most of the employees of a corporation are employed, where contracts are made and so on. If I could just have a moment here I will just give you an example. "General rules: where in a taxation year a corporation had a permanent establishment in a particular Province and had no permanent establishment outside that Province, the whole of its taxable income for the year shall be deemed to have been earned therein." That is the case where you just have a so-called permanent establishment in one Province. "Where in a taxation year, a corporation had a permanent establishment in a particular Province and a permanent establishment outside that Province, the amount of the taxable income that shall be deemed to have been earned in the year in the Province is one-half the aggregate" - now this is an example of the complexity of this area - "one-half of the aggregate of that portion of its taxable income for the year that the gross revenue for the year reasonably attributable to the permanent establishment in the Province is of its gross revenue for the year."

So, you have to try and attribute revenue.

MR. ROBERTS: It is clear, is it not?

MR. BARRY: It may be clear in the saying, clear in doing is something else.

MR. BARRY: Next, "that portion of its taxable income for the year that the aggregate of the salaries and wages paid in the year by the corporation to employees of the permanent establishment in the Province is of the aggregate of all salaries and wages paid in the year by the corporation." Then you get into, "for the purpose of determining the gross revenue for the year reasonably attributable to a permanent establishment," you get into, "the following rules shall apply: "Where the destination of a shipment of merchandise to a customer to whom the merchandise is sold is in the particular Province or country the gross revenue derived therefrom shall be attributable to the permanent establishment of the Province or country." You get into this question of where shipments are designed, are destined for.

MR. ROBERTS: If Eatons sell a pair of mitts, a pair of cuffs here in Newfoundland, the tax comes to Newfoundland. That is the gist of it.

MR. BARRY: Okay, okay. "Except, as provided in paragraph (c), where the destination of a shipment of merchandise to a customer to whom the merchandise is sold is in the Province or a country other than Canada, etc., in which the taxpayer has no permanent residence, if the person negotiating the sale may reasonably be regarded as being attached to the permanent establishment in a particular Province or country the gross revenue derived therefrom shall be attributable to that permanent establishment." We get into the question of who is attached to what establishment.

I do not want to go into all of these, Mr. Speaker. I would like to get another one. For example, "where gross revenue is derived from services rendered in the particular Province or country, the gross revenue shall be attributable to the permanent establishment in the Province or country." Where are services rendered? Another example, "where a customer to whom merchandise is sold instructs that shipment to be made to some other person and the customer's office with which the sale was negotiated is located in a country other than Canada in which the taxpayer has no permanent establishment" you get a number of different rules. If the merchandise is produced

or manufactured or produced and manufactured entirely in a particular province the gross revenue shall be attributable to that province. If the merchandise was produced or manufactured partly in one province and partly in another, the gross revenue is proportioned and shall be the proportion that the salaries and wages paid in the year to employees in various provinces is of the total salaries and wages paid to all employees, to summarize the section.

There are many other rules here, Mr. Speaker, that are detailed and specific but they boil down to the fact that we have a problem -

MR. CROSBIE: Will you yield when you have an opportunity. I have a ministerial statement.

MR. BARRY: Yes, if I could just finish this sentence that I am half-way through. It boils down to that -

MR. ROBERTS: Is there an end to it?

MR. BARRY: Mr. Diefenbaker up there, apparently Hansard can never find the beginning or the end of a sentence, in Hansard.

MR. ROBERTS: He came up with one of the great quotes of all time, "It's a long road that has no ashcans."

MR. BARRY: Well, Mr. Speaker, we have a problem which I will go into a bit more after the honourable minister makes his statement. We have a problem arising from the fact that we have companies that obtained almost all of their revenue from mining operations within this Province and yet have almost all, in some cases all of their employees located in another province who are making their contracts in other provinces where shipments are destined to, other provinces.

MR. ROBERTS: The law requires them to have offices here. We could do that.

MR. BARRY: I will address myself to that in a moment.

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: Mr. Speaker, with the permission of the House I want to make another statement which we might call an addendum to the one I made a half hour ago.

MR. ROBERTS: Mr. Speaker, we all gave consent but I understand it is a ministerial statement and a normal right of comment would apply. Is that the correct understanding?

MR. SPEAKER (STAGG): Yes.

MR. CROSBIE: Mr. Speaker, this is in connection with the Happy Valley-Goose Bay area. Now, I have just had a call from the Director of Defense Relations in the Department of External Affairs who informs me that the American authorities several weeks ago formally confirmed to the Department of External Affairs their decision to not to renew, or not to stay in the Goose Bay area when the present lease expires on June 30, 1976. A statement is being made now or will shortly be made, the statement is to be made at twelve noon. I am not sure whether it is our time or the Mainland time. A joint statement by the USAF and the Department of External Affairs to this effect, that they have given formal notice, that they will be leaving on June 30, 1976, that this is part of a larger programme by the USAF of consolidating facilities and streamlining facilities and so on in various areas of the world, and that the decision will affect some 600 American personnel and 200 Canadian personnel who worked with the USAF.

The gentleman in question says that the Government of Newfoundland have not been notified prior to this because they were attempting to get more details from the USAF with respect to -

MR. ROBERTS: What kind of details could you get?

MR. CROSBIE: This was a formal notice, but they were attempting to get more details from the USAF on the implications of this formal notice. It also appears that the USAF may want to retain a small - I do not know if it would be force there, that there might - on a caretaker basis. There may be some small number employed on a caretaker basis in case they want to go back if an emergency arises or whatever. They were wanting to get all the implications and details before notifying the Government of Newfoundland and making any public statement on the matter.

Now, Mr. Speaker, all one can say is that you know this is a fantastic piece of bureaucractic bungling, to put the best face on it. I accept the fact certainly that Mr. MacEachen and Mr. Jamieson, whom I spoke to last night and

this morning, are both honourable men and of course if they had this information I am sure they would have given it to me. And, you know, I mean it is a most unusual situation.

So the fact remains that formal notice has been given by the American authorities. The Secretary of State of External Affairs has not yet communicated to the Province, communicated to the Province about ten minutes ago, fifteen minutes ago that they are not going to renew the lease after June 30th., 1976 and the number affected, of course, may be more than I have mentioned but their statement says 600 American, that is American personnel, and 200 Canadians who work with them directly. There may be some small presence there after that date. That has to be worked on. In the meantime there will - of course, the Goose Bay Task Force is in place and this government will be communicating with the Government of Canada and the local authorities up there so that an intensive programme can be developed to see that all of these people are given, get alternate employment and that everything is done to see that this phase-out goes smoothly and with as little grief to people in the community as possible.

So that is the situation. The situation is exactly contrary to what I said a half hour ago, which was based on information I was given last night and this morning. But anyway we now have the true picture. The Government of Newfoundland - speaking on behalf of the Government I can only say that we are extremely aggrieved that the information has come in this manner and has come out this way. It is hardly excuseable, but anyway this is the way it has happened and of course we will do our part and I am sure the Government of Canada will to see that the whole thing goes as painlessly as possible and we have got a year, of course, to get ready for this notice which will become effective June 30, 1976. That is all I can really say at the moment, Mr. Speaker.

MR. SPEAKER: The honourable Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, I think all of us in the House are in the same state of catatonic shock as a result of the announcement which the

minister made and the shock is all the greater because an hour ago the minister, relying on the information given to him, had, as he just said, told us the direct opposite.

There are two points to be made, Sir, and there is nothing at all to be said really about the first one, except to note that there is nothing to be gained for Newfoundland by saying exactly what any of us thinks of the conduct of the Government of Canada in it. I could use some very strong words, but let me say it is inexcusable and intolerable. This ridiculous excuse that somehow they were gathering further details, I do not see how there could be any details. I mean, a death sentence is a death sentence and you do not need to know anything further. I mean, what can be more further than a death sentence. And let it not be misunderstood what this announcement is. It is, with one stroke of the pen, the entire community of Happy Valley - Goose Bay has had its raison d'etre, its entire reason for existence, threatened and possibly removed.

I was speaking earlier this morning with the gentleman from Labrador North who is in Goose Bay, in the area, and there are approximately 1,000 jobs directly involved in this. There are the 200 to which the minister referred, people who are employed by the USAF directly, but in addition there are about 800 civilians employed by the Ministry of Transport at Goose Bay, Sir, and almost all of them are employed in connection with the operations generated by the Americans and with USAF gone there will be a need for very few people. All one will need is the normal staff that would operate an airporat at whatever level the Goose Bay Airport would operate at, and that is not a very large level, I fear, you know, not a large level of employment, so about 1,000 jobs will disappear in the next twelve months. Now, Sir, the matter is even more serious than that.

I do not know if we are being attacked, Mr. Speaker, or if windows are being blown shut, or if it is the door on the other side, but the Minister of Mines and Energy was being distracted from time to time by doors slamming and it is really most upsetting. Maybe the pages or something could do something or the Clerk could stand between the window and the ledge

in case it falls. He could catch it or something.

Mr. Speaker, the entire, you know these 1,000 jobs are just about every basic productive job in Goose Bay - Happy Valley

with the exception of the jobs that are provided by the Linerboard operation, and they are not that numerous- and we all know the problems that that operation is having.

This House and the government now have a terrific challenge placed before them. It is not the place for a debate, Sir, I am only allowed to make a few comments, but let me say that I think the Government of Newfoundland and Labrador must make it an absolute priority to respond to this problem. The Goose Bay Task Force has been at work for a couple of years. I am told it has made progress, but I have not seen very much of that progress I must say. Now is the time for it to appear.

And I think the Government of Canada have a very great responsibility as well. These are federal employees, federal government employees, and it is not just enough to say that they will be looked at elsewhere or anywhere else. If there is going to be a Goose Bay-Happy Valley there will have to be some form of work provided for the people there now, if not the entire community as we know it will disappear, We will be faced with another Bell Island.

I wish we could debate it, Mr. Speaker. Perhaps the House Leader would allow a debate either later this day or tomorrow on a motion to adjourn. I think it would be appropriate. We had one on the Placentia Base he will recall,two or three years past, and I think it was useful. We had a similar one on Bell Island. But let me just say that with one stroke of the pen now a thousand jobs have been wiped out. It is almost enough to make a man weep, because a thousand jobs in Newfoundland, Mr. Speaker, you know, governmenta,period,in terms of office have not succeeded in creating a thousand jobs and - here we are,with one stroke of a pen a thousand jobs are gone. It is not a matter for blame now, the time for blame is either past or yet to come. But it is a time for positive action by this government and above all by the government at Ottawa. That their conduct - I do not speak of the Minister, Mr. MacEachen or the Prime Minister.I

have no doubt they were passing on the information they had. But there should be some rear ends booted in the Department of External Affairs and in the other appropriate departments. The conduct of bureaucracy has been absolutely inexcusable that we should hear about this in this way, and only, in effect, after the minister, speaking in this House, had been, you know, forced to make statements which turned out to be incorrect, statements which he made believing to be full and complete. It is not often the honourable gentleman and I, Sir, agree on public affairs in this Province. But I think we can agree on this one, and, you know, there is no point kicking Ottawa but it should be noted they have really treated the people of this Province, and the people of Goose Bay-Happy Valley very badly indeed. It is a sad day for the Province, Sir, A thousand jobs, you know, is a staggeringly great number in any part, but a staggeringly great number even more so in the Goose Bay-Happy Valley area.

MR. A. EVANS: Mr. Speaker, would the Minister of Fisheries permit a question on that statement? Did Trudeau indicate that he would be leaving with the Yanks?

MR. SPEAKER: The Hon. Minister of Fisheries.

MR. CROSBIE: The only thing that the Leader of the Opposition said that I queried, that will have to be checked out, is the thousand jobs. I mean that sounds like a lot more than we think is the case, you know.

MR. ROBERTS: I do not have all of the information before me, but I am told it is about a thousand. The 200 directly, and of the 800 employed at M.O.T. now, less than 100. I am told, will be retained if the airport were to be operated as a normal civil airport and not as a, you know, not as a facility for the use of USAF. But it should be checked. But the figure, I think, comes from my conversations with the gentleman from Labrador North, you know, who is not only aware, but very much involved in the economic life of the area.

MR. CROSBIE: We will check it out anyway.

Thank you, Mr. Speaker.

MR. SPEAKER: The Hon. Minister of Mines and Energy, I was not in the

Chair at the time, I understand he has not finished the second reading of this bill, and he may continue.

MR. BARRY: Yes, Mr. Speaker. Well it is sort of depressing, Mr. Speaker, to carry on after that statement, but I guess it is just an indication of the ever greater seriousness of getting our own house in order with respect to the resource-based activities that we have in the Province to make sure that we squeeze out every possible benefit for the people of the Province that we can from the development of our resources. And this is one of the things that we are trying to do with this dramatic and radical change in our mining tax legislation.

And I might add, Mr. Speaker, that this is something that was not done without a lot of thought been given to the effects that it could have both on existing operations and on future operations in the Province, the effect it

could have with respect to the amount being spent on exploration in the Province which I will refer to in a moment.

Mr. Speaker, I was also referring before the minister made his statement to the problem that we have where companies are making revenue in the Province,and this revenue, the taxation of this revenue is being shared with other Provinces because of these companies locating most of their personnel in other Provinces or because of other actions, other modes of carrying on business that under the existing regulations with respect to the allocation of corporate tax results in considerable revenue being lost to the Province. Now, Mr. Speaker, I am not trying to say that this Province should have a free ride. I am not saying that we should ignore the fact that we are part of Canada, that we obtain benefits from other Provinces as well, that you have got to have, you have got to encourage free trade and free flow of investment and so on across provincial boundaries. But what I am saying is that this is an area where we have to take a very serious look at the impact that the existing tax regulations, allocating tax between Provinces is having on the amount of tax that we get from our mining operations.

As I said, we have asked the Provincial Department of Finance to direct their attention to this matter and this is now being done. It is for this reason, Mr. Speaker, that we are not able to proceed by way of the corporation tax on mining companies to obtain improvements in the direct revenue received by our Province because there are, in our opinion, inadequacies and problems there that we still do not know the full significance of. I am referring here to the corporation tax regulations. So, we cannot rely on that alone, even though in principle, Mr. Speaker, if you had your ideal corporation tax then you question whether there was any need for a mining tax at all. There is some good argument along the line that if you had a proper corporation tax on profits, why do you need a mining tax at all.

Well, as I explained, we do not have an ideal situation with respect to corporation tax. Therefore we have concluded that we must,

if we are going to improve the situation, do it by changes in our mining tax legislation. We have, for example, Mr. Speaker, with respect to one company discovered that although we will say close to 100 per cent of the revenue is being earned in Newfoundland we have the Province being entitled to only fifty-two per cent of the corporate tax of that company. So you have almost half the potential tax being lost because of where the company is set up, its permanent establisment, where most of its employees are located and so on.

Now, the honourable Leader of the Opposition says, well why do you not just pass laws requiring companies to set up their offices and have all their employees in the Province. Mr. Speaker, that is a route that is being looked at. That is an area that is being looked at. It was mentioned in the Royal Commission Report and we have not rejected that as a possible method of approach. But we are not in a position at this time, Mr. Speaker, to bring in legislation to this effect because we have not had an opportunity to adequately assess the ramifications. For example, we are greatly dependent upon national companies and, in some cases, international companies to spend money on exploration in this Province, to spend money on developing new mining opportunities.

Now, if we impose restrictions on these companies of certain types, there is a good possibility that we will not see these companies being prepared to operate within the Province. So, we have to go very carefully in this area. We do not want to lose the momentum that we have built up over the last two years where we have seen a dramatic, a great increase in the amount of money being spent on exploration for minerals in our Province. We do not want to lose the course that has been developing where we have many new companies, both national and international, coming to Newfoundland and being prepared to spend considerable amounts of money in our Province. The last two years figures, we understand, will continue this year judging by the expenditures to date and the number of claims staked and so on to date this year.

The momentum is good with respect to money being spent on exploration and we do not want to create disincentives that will cut off this flood of investment capital into our Province. That would be merely cutting off our nose to spite our face. So, we have to go very slowly here. But I can say, I can confirm that we are looking at the possibility of having certain regulations with respect to the presence of permanent establishments by corporations who are carrying out mining operations in the Province or who are receiving revenue by way of royalties and so on. This will be looked at very carefully over the next several months. But for now, Mr. Speaker, we have to move with the amendments to the mining legislation, as I say, not that all the answers are in this legislation but because there will be significant immediate benefits to the Province by going ahead with this act.

The first benefit, the main benefit I mentioned was, of course, the setting out of a new realistic tax rate. We are setting the rules of the game clearly for companies to see, not just as far as existing operators are concerned, some existing operators, and I will mention qualification here in a moment, but also with respect to what companies will be able to expect in the future. When they come in today and they look at the potential of Newfoundland, they want

to know what the rates of taxation are going to be in the event that they make a mineral discovery. They want to know what the rules of the game are going to be.

We have to remove the uncertainty that now exists because of this review of the mining tax legislation that we have done. We knew the uncertainty would be created. That was a necessary evil but our alternative was to do nothing. That would be unacceptable. So we decided we would risk the uncertainty. We would bring about changes in the mining tax but we would do it as quickly as possible, Mr. Speaker, so that any uncertainty would be removed quickly and the momentum that has been built up by the expenditures for exploration in the Province would continue.

Now, another main benefit from this mining tax in addition to setting the general level of tax is that of course we will now be taxing this revenue that was being received by landlords that previously went untaxed. That will mean a significant amount of revenue for the Province commencing this year. The act, as I have said, continues the principle of taxing profits rather than going to a, what they call, an ad valorem tax on the value of production. The reason we have gone for a tax on profits is because the investigation that we have done indicates that if you tax the value of production there is the encouragement of what they call high grading, Mr. Speaker, that the tax on profits is the best way of ensuring that every last pound of ore is recovered.

If you have a fixed cost based on the value of production that will encourage high grading companies taking out the ore that will produce the greatest percentage of profit initially, and it will result in their leaving in the ground the lower grade ore. We do not want to see this in the Province because we believe that the provincial demand, the nation demand, the international demand for mineral commodities require that we not be wasteful, that we, where possible, recover every last possible pound of ore.

So this is the reason we have gone for the tax on profits as opposed to an ad valorem royalty. This tax on profits is one that is generally accepted throughout the industry. I am not saying that we accept everything that the mining industry suggests we should do in the way of mining tax. We have not. We will not. But we listen and when they give useful suggestions, useful arguments as to why a particular course of action will lead to problems for the Province then we are prepared to consider this. In this area we have concluded that the tax on profits is the best way of proceeding.

Mr. Speaker, if I, without going into too much detail, if I could just say that we should not have the mistaken impression that this act will immediately apply to all operators in the Province. This is not the case. You have the situation, the unfortunate situation in some ways in the Province of having a patchwork quilt of regulations. Almost every mining operation has a special agreement, a special act, special rules applying with respect to mining tax and so on. At the present time there are only three companies operating in the Province under the provisions of the general Mining Tax Act. They are the Rambler operation, Advocate Mines operation and the Alcan operation and the new zinc mine at Daniel's Harbour, of course, Newfoundland Zinc will also operate under the Mining Tax Act, so that the amendments to the Mining Tax Act will automatically apply to these operators, to these four operations. Mr. Speaker, it will also apply to future operations in the Province.

What we are doing is setting an act of general application, a realistic act. We are setting the rules of the game to the development of future mining operations. We have examined the rates of tax in other Provinces. We have concluded and companies have confirmed that this is the case, that we are competitive with other Provinces, that our rate is reasonable when contrasted with most other Provinces. Some Provinces have gone to much higher rates. I should not say some. One in particular, British Columbia, has gone to higher rates, to different methods of tax. There are, I think it is generally - I am not saying this to be critical of a neighbouring Province or a neighbouring provincial government, but there has been considerable criticism of the British Columbia type regulation. It is suggested that there has been some falling off in mineral exploration and development in the Province. I cannot confirm that. But basically what I am saying is that we have taken a reasonable approach, a moderate approach here but one that is a dramatic improvement and a radical change from the previous situation

that we had in our province. With respect to the existing operators, Mr. Speaker, it is our intention with respect to the operators that are now operating under special agreements, there is a clause here that says that this act will not apply to those operators. But it is our intention, Mr. Speaker, to commence discussions with each of the companies operating under special agreements with a view to determining first of all whether the rates paid under their existing agreements are less than the rates that they would pay by this act of general application and where, if and where we discover that the rates paid are less than this rate of general application we will be requesting companies to consider renegotiation or increasing of their rates so that they will be in line with what we are setting out as the reasonable rate of taxation.

Now what I am saying, Mr. Speaker, is, first of all, we have very, very complex special agreements in some cases. I will give you examples. Say the iron ore mining operations. We have two completely different types of agreements. Wabush Mines, for example is a partnership, a joint venture between various companies and they have a very different method of paying tax than does the Iron Ore Company. The Iron Ore Company of Canada has a rate of tax that is based to a certain extent upon the international price of iron ore. In determining whether it would be of advantage to the province to have the type of regulations that are set out in this bill apply, for example, to the Iron Ore Corporation, we would have to make certain estimates as to what the, or certain projections as to what the international price for iron ore is likely to be and so on. In other words it is not automatically obvious that the province would benefit by having this act of general application apply to all operators throughout the province. This is an area where much more investigation has to be done. We now are getting to the stage where, and this has taken an unbelievably long time just to get the hard data to work with, the information to work with, but we are now getting to the stage where we have, we think, most of the information we need to analyze these companies that are operating under special agreements and we will be looking at what the rate of tax is that is payable under these special

agreements, what the effective rate is as compared to this new act, and where existing operations are paying less than the rate set out in this act then we will be requesting that the rate be brought up to the level as set out in the act.

Now this is not an insignificant step for this government to take, Mr. Speaker. It is not one that we throw out without careful consideration or thought. We have to recognize that when a government enters into an arrangement or an agreement with companies, mining companies or any other company, that it is not a light undertaking to change the rules of the game in midstream. But we believe, Mr. Speaker, that most companies are reasonable, most comapnies understand that conditions change, most companies realize that if there is an insignificant amount of direct revenue going to the government of a province where they are operating that this is not a healthy situation, and I think most companies would be prepared to take a look at what would be a reasonable rate of tax in areas where they are not now paying such a reasonable rate.

So, Mr. Speaker, that is all I want to say on that topic, but I wanted to stress that the act does not automatically apply

to all operators but that we intend to use this as a basis for discussions with the companies operating under special agreements to work our improvements in the tax situation in those cases where we find that the taxes now paid do not reasonably relate to the levels as set out in the new Mining Tax Act.

Mr. Speaker, there are I think some - was it Mark Twain who said,"There are lies, damn lies and statistics,"?Well, one of the biggest problems that you have -

AN HONOURABLE MEMBER: Bismarck.

MR. BARRY: Is it Bismarck?

MR. DOODY: Samuel Clemens.

MR. BARRY: Samuel Clemens also known as Mark Twain. In any event, Mr. Speaker, the lies, damn lies and statistics in this area are very difficult to analyze. In the Royal Commission Report itself,for example,there is a chart that purports to set out the corporation tax paid by mining companies in the Province. And you look at that chart and you almost end up in shock when you see that they set out that the corporate tax for all mining companies paid in the Province has in some years fallen as low as $36,000, a ridiculous, ridiculous amount.

But, unfortunately, Mr. Speaker, that particular chart is somewhat misleading in that this only includes the corporate tax for companies that are defined as mining companies and apparently what we have discovered in further investigation is that there are companies that we would consider mining companies that are not classed as mining companies under the federal corporation tax definition of the term mining company. They are classed as a processing company or some other type of company and therefore their revenue would not be included in that chart set out by the Royal Commission.

So, we have had difficulty in getting the proper statistics, the proper data to work with because a decision, Mr. Speaker, that you make is only as good as the information you have available to you in making it. But we have now reached the stage where we

believe with a reasonable degree of certainty that we can move towards improving the tax rate in the Province, that this will lead to an increased revenue for government but that it will also permit sufficient incentive for companies to continue operating in this Province and sufficient incentive for companies to be attracted to the Province, new companies to invest money in exploration and in the development of mining projects.

If I could just set out for you what we see, Mr. Speaker, as the combined rate, the effective tax burden on companies when you consider -

SOME HON. MEMBERS: Hear! Hear!

MR. BARRY: I am really having some dramatic affect around here today.

MR. DOODY: You got a big impact.

MR. ROBERTS: You nearly brought the House down.

MR. BARRY: When you look at the effect, the total tax burden paid by corporations, corporation tax, federal and provincial and mining tax, we have to look at what is the total tax burden, what percentage of their revenue do they end up paying. Now, Mr. Speaker, we have done certain calculations here. The area that we were aiming for was in the area of fifty per cent. We believe that that is a reasonable tax burden for companies to operate under. If I can just have a moment here to dig out my statistics, Mr. Speaker. I have got it misplaced here somewhere. Sorry. I am just trying to find the complete table.

MR. BARRY:

Mr. Speaker, the combined rate of the provincial mining tax as set out in this proposed legislation, and the federal corporation tax, and provincial corporation tax - I have lost my table here where I had all of this set out - is a little over fifty per cent. It will be a bit more for the landlords, the corporations that will be taxed at the rate of twenty per cent on the revenue that they receive from mining operations. But the operators will be taxed at the rate of sixteen per cent. Now you cannot just add together the thirty-eight per cent corporation tax that presently applies, and the sixteen per cent - well you can. That would give you fifty-four per cent - but the actual percentage paid by companies will be reduced because of certain deductions that they are permitted with respect to the way the taxable income is computed.

And from the work that we have done it is unlikely that any operator will pay fifty per cent of their income in combined taxes, because of the fact that most of these companies will continue to have deductions for money spent on exploration, for money spent in pre-development expenses, processing allowances that they are permitted and so on. So we have worked out the combined tax burden on companies, and we have concluded that the rate as set out in this Mining Tax Act when combined with the federal corporation tax and provincial corporation tax will result in a reasonable tax burden on the companies that we hope to have involved in the Province.

Anyhow, Mr. Speaker, I can terminate this for now. I will answer any questions that honourable members might raise at the end of the debate. I would mention briefly that there are other recommendations of the Royal Commission on Mineral Revenue that we have not rejected, we have not reached final decisions on. One of those, for example, is the one I referred to earlier about imposing certain requirements with respect to where companies have permanent establishments. There is one recommendation there, for example, that all companies acquiring mining leases be incorporated within the Province, Just as an example of the types of ramifications that decision alone would have, you have to consider again, Mr. Speaker, that right now we are benefiting, this

Province is benefiting from the fact that companies, national companies operating here are able to deduct from their income tax paid in other provinces, their mining tax, corporate tax, in some cases money spent on exploration in Newfoundland.

So we have to keep in mind, you know, that we cannot just operate in a vacuum here. We cannot be totally isolationist. We have to recognize that we obtain benefits by being part of the country, Canada. And we have to work out what is a reasonable arrangement, a reasonable reciprocity with respect to companies that operate in other provinces.

But there are recommendations in the Royal Commission that have not yet been dealt with, that are still being looked at. But the signifiance of this proposed legislation indicates, Mr. Speaker, that with respect to the two recommendations that received the most criticism of the Royal Commission, we have not accepted those recommendations, namely, the recommendation that we not tax profits but we tax ad valorem or on the value of production. And secondly, that we not issue mining leases but that we negotiate the terms of mining leases after discoveries have been made. Both of those we have not accepted. We have not considered that they would be reasonable in that they would, in our opinion, lead

to the falling off of money spent on exploration in this Province and it is not likely that we would keep up the rate of exploration that we now have. The amount of revenue that will be gained by the Province in this year depends upon, Mr. Speaker, to a certain extent the rate of production in various mining operations. Of course, that can be affected by strikes such as, for example, the well, there is a Wabush strike in operation now and that would affect the -

MR. ROBERTS: St. Lawrence.

MR. BARRY: Pardon?

MR. ROBERTS: There is the lockout at St. Lawrence.

MR. BARRY: The lockout at St. Lawrence, So that if the value of production goes down and the profits of the companies go down the mining tax will go down as well. But assuming a reasonably normal year, we have estimated that additional revenue of between $4 million and $5 million to the Province for this year will result from this act. A significant portion of that will come from the new tax that is being imposed on landlords. I have to say that we have received some fairly heavy opposition to this tax. Companies that are affected are Labrador Mining and Exploration Company, the Price Company in their agreement with ASARCO.

MR. ROBERTS: Royalty tax.

MR. BARRY: That is right, a tax on royalty payments which is, as I mentioned earlier, an acceptance of the recommendations set out by the Royal Commission that we tax these payments. The third - what is the third one? - oh, yes, the NALCO - Canadian Javelin payments from Wabush Mines. So, we have received objections from, naturally enough, from these companies. We have pointed out however that there has been a rebate of federal corporate tax of fifteen per cent, the most recent one. Actually, there has been twenty-five per cent over the last five or six years, but the last rebate of

fifteen per cent is there. What we are imposing is a tax of twenty per cent. So it is not exactly ruinous if you consider their position today as opposed to where they were prior to that federal corporate tax rebate. So we think that this is a reasonable rate of tax to impose on these companies for their royalty payments. It is not an easy step to take, but basically we have to decide whether we attempt to make any improvements in the existing situation or whether we not. If we decide that we had to, as we did, that we had to affect improvements then that meant withstanding some criticism from companies who would say that we are changing the rules of the game as far as they are concerned.

The only other alternative, Mr. Speaker, would have been for us to accept the intolerable situation that we found, and that has existed for some time and we are not prepared to do that. So we think that this legislation is forward looking. It is long overdue. I would ask the support of all members of the House and I move that it be given second reading.

MR. SPEAKER: The honourable Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, it is with interest that I note the Minister of Industrial Development told the Minister of Mines and Energy that he, the Minister of Industrial Development, intended to support the bill. I think that is reassuring and adds another chapter to the glorious history of Cabinet responsibility and the doctrine of collected responsibility for legislation.

Mr. Speaker, the minister gave a somewhat lengthy explanation of the bill.

MR. BRETT: To say the least.

MR. ROBERTS: - Sorry? The gentleman from Trinity North says to say the least. I am glad to share the view of the gentleman from Trinity North or to have him share mine. I think the minister's explanation was lengthy. But it was

a good one. I did not get to hear all of it in the House, but in between the windows falling and doors shutting and announcements of Goose Bay and glass shattering and what have you, I think I followed it and I think, and here the gentleman from Trinity North and I may not be on the same wave-length, I think that the minister's explanation was a very good one. Unfortunately, though, he did not touch on a number of the points which I had hoped he would touch upon. I am particularly interested to know what effect if any this will have on equalization. The Royal Commission has a section on equalization and I just read it again - it is an appendix to the report - and I will be charitable and say that whoever wrote the section I do not think understood the equalization principle as it has developed in federal-provincial relations.

But as I understand it, and perhaps I do not, so the minister I know would be only too happy to correct me, what equalization says in effect is that the Government of Canada will guarantee that (a) the government of a province receive in respect of any of a given number of tax fields and it must be about twenty-five or twenty-six separate tax fields by now, will receive an amount of money on a per capita basis equivalent to that which they would have received if they had been equilized up to the national averages, provided that they charge taxes at at least the national rate. Now that is, like most of these fiscal policy things, it is extremely complicated. It is basically straightforward. If we have a seven per cent tax in Newfoundland and if the national average sales tax is, say, seven per cent and our seven per cent tax only produces $20 per capita over a year and the national average yield of all the ten provinces at that seven per cent rate is $30 a year, we are given a payment on equalization of $10 per person, 55,000 people we are given $5.5 million to equalize it up. And of course mining income has been brought within the equalization thing. It was done back in about 1963.

I remember watching Mr. Manning who was then the Premier of

Alberta, the honourable Ernest Manning, he is now a Senator, agreeing quite readily at a conference in the Railway Committee Room in Ottawa and I think most of the ministers here have probably been in the Railway Committee Room in the House of Commons, which is where the federal-provincial conferences were formerly held, and it was an act of statesmanship on the part of Mr. Manning, made a little easier by virtue of the fact that Alberta even then was a wealthy province compared to the rest of Canada, particularly with reference to Newfoundland and the Atlantic area, but by including the revenues from oil and minerals in the equalization formula, as was done at that time, it cost Alberta $40 million or $50 million a year. Alberta had been receiving equalization payments even though by most measures it was a fairly prosperous province. But in those days the only taxes that were equalized were the corporate and the personal income taxes and Alberta on that basis actually got equalization payments up until about 1963 or 1964 when the act was changed.

But I wonder if the minister could tell us what effect this will have. I do not have all the information here. I suppose the Canadian Tax Foundation, I could dig it out from their publications. But basically, where do our tax rates now stand with respect to the national tax yields as deemed. And the gentleman from Green Bay, the Minister of Municipal Affairs is following it closely and I know he follows the concept and understands it at least as well as I do, that Ottawa deems that tax rates are set. You cannot get equalization, to use my sales tax example, by not having any sales tax. You are deemed to have yielded a certain amount. It is a very complicated formula. Ottawa has been notoriously inaccurate. In any given year they may be $10 million or $20 million one way or the other. You do not mind when they are $10 million or $20 million under at the start of a fiscal year and halfway through the year the Finance Department is able to send the glad news to Cabinet that, gentlemen you can carry on with your spending spree because the people in Ottawa have told us we are under on tax equalization, it is going up. But I would warn the honourable gentlemen opposite that that

is a two-edged sword. Every now and then Ottawa does come through and say,we overestimated, we overpaid you and there will be something a little less in your next pay cheque and that something a little less is we are going to take it back.

But in any event I do not know what effect these taxes will have on the equalization, if any, but the minister perhaps when he speaks to close the debate could touch upon that point. Unless he wants to say anything now. But I have no particular comments on it except to say that I would like to know what it is. As I say,

the Royal Commission on equalization was really very weak. I do not think they understood the concept. They made the relevant point that equalization of mineral and resource royalties is changing very rapidly and particularly with respect to the oil royalties where Ottawa have said they will not equalize up to the national average on oil royalties because the incredible amounts of money that Alberta in particular has been getting, and Saskatchewan to a much lesser extent, have had the effect of raising the national average on oil and mineral and resource royalties to astronomical heights. We could levy exactly the same tax on oil as Alberta did. Not producing any oil at present we would get no dollars from it but the equalization - I forge the figure. What was it? $3 billion or $4 billion John Turner was quoting if the oil revenues had been fully equalized? Some astonishing figure.

It would have been a bonanza for the Government of Newfoundland and the Government of Nova Scotia and a number of the other so called have-not provinces. It would have been a disaster for the treasury of the Government of Canada. But, in any event, you know, if the minister would tell us a word or two about the effect on equalization?

Now, Sir, it is nearly one o'clock and I would like to , if it is in order, could we call it one o'clock because otherwise I will have to speak for two or three minutes and then, you know, carry on. Let me call it one o'clock and then we will come back at three and I will say what I have to say on the bill.

MR. SPEAKER: It now being one of the clock, I do now leave the Chair until three o'clock this afternoon.

The House resumed at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please! Before we commence there was one question only that has been given to me for the so-called Late Show today, It is the question asked by the Hon. Member for St. Barbe North on behalf of the Hon. Minister of Municipal Affairs and Housing and that will be at 5:30 this afternoon.

I think the Hon. Leader of the Opposition closed the debate at lunch hour, and I recognize the Hon. Leader of the Opposition.

MR. E. M. ROBERTS: I do not know if closing the debate is the right way to put it, Mr. Speaker. I had only begun the debate. But I did want to say a few words with respect to the Mineral, just the short title, The Mining and Mineral Rights Tax Act. The minister introduced the bill for second reading, and I think I made one preliminary point before we called it one o'clock.

Mr. Speaker, the minister gave a fairly extensive explanation of the bill, and in his own way,I think,he touched upon most of the points which needed to be touched upon. The bill itself for all of the falderal and all of the great names and noises is essentially a fairly simple bill. It provides for some taxes on mineral productions,or on the proceeds,I should say,of mineral production in the Province. It provides basically for two types of taxes. The names in the bill are"mining tax"and"mineral rights tax." The mining tax essentially is a tax on profits, and the minerals rights tax is a tax on profits, but also a tax related to the amount of the mineral rights payment. The mineral rights tax might be likened in a very real sense to a royalty tax.

Now, Sir - oh the other preliminary point I would make is while the bill provides for these two taxes on all the mineral production in the Province, as the minister himself pointed out the effect of Section (8) of the bill is to provide that these new tax levels, these new taxes in one case, and the new tax level in another case,apply only to four present operations, I think as I recall them they were

Alcan, the Johns-Manville operation, the Advocate Mine at Baie Verte, the new mine at Daniels Harbour, and the fourth was -

MR. BARRY: The Rambler Mine.

MR. ROBERTS: Oh the Rambler Mine. I thank the minister. These were the four operations. And, of course, any new ones that come in the new act will apply to them unless, of course, they are exempted. And we have no way to know, and indeed there can be no way to know whether or not new mines will be exempted. I believe it to be the ministry's policy, and if so I support this policy, that they should not be exempted. But, you know, it is a brave man, Mr. Speaker, who forecasts the future. The minister can say and he can, in fact, believe, and I am quite willing to assume that he does believe, that the policy of the administration is now and ever shall be that a new mine wishing to come into production will pay these taxes or no others. You know, we will have to await the event.

In any event at present it only applies to four operations, the four which I have named with the help of the minister - the Rambler, the Advocate, the Alcan and the zinc, the Daniels Harbour Mine. Now, Sir, - or let me add to close off that point - that I think the ministry have really done the only thing they could by bringing in Section (8). We have the legislative power, the legal power to vary the agreements that have been made. All of these agreements under which the various mines are paying different rates of royalties and different rates of tax, all of these have been approved by Statute in the House. We have passed several through within the last two or three years, and a number over the years since Confederation, and some of them are pre-Confederation. I think the Labrador Mining and Exploration one, if I am not mistaken, was about 1937, the legislation under which they got their rights and under which they exercised their rights, the legislation which requires them to pay certain royalties to the Province. So they have been in effect, they are law, they are binding, there are agreements between the government on one hand and a corporation or corporations on

the other hand. And while we have the legal power to change them, I think it would be very wrong to change them unilaterally and I am very glad that the government have chosen not to do so.

Now, Sir, the two taxes which will be levied under the provisions of this bill are two very different ones and, I submit, should be approached differently. Let me deal first with the mining tax which is the tax that sets forth in sections (5), (6), and (7), part two of the bill before the House. This tax has been in effect, as I understand it, for many years in Newfoundland. It has been in effect at a rate of five per cent per annum on the taxable income or as defined. I do not have the act in front of me, and I am not speaking in an accounting sense, but, there has been a tax in effect but it has been paid only by three operations, the three that the minister has named or the four less the zinc mine which is not yet in production. The three are, of course, again the Alcan and the Rambler and the Advocate. All other mineral operations in Newfoundland have negotiated special arrangements with the government and these special arrangements were embodied first of all in an agreement between the parties and then subsequently were ratified by legislation, both from the policy point of view a wise move, but also because of the legal and constitutional requirement in this Province, that no agreement of more than a year can be entered into, with binding effect by the government unless it has been approved by the legislature.

The government of this Province under the constitution of this Province, the pre-Commission constitution which is still in effect has no power to commit the people of this Province, as I understand it, to any agreement of more than twelve months in duration unless that agreement has received either sanction in itself by the legislature or unless the Governor in Council is acting under authority of some act of the legislature.

The minister is looking quizzical. Is he going to challenge that?

MR. BARRY: There was a recent case that came before the Supreme Court of Canada that is somewhat contrary to, actually to a case of Mr. Justice

Mifflin on the - I think it was the Javelin case. -

MR. ROBERTS: Well, I certainly have not read all the recent cases of the -

MR. BARRY: - as to the ostensible authority of a minister in making a commitment.

MR. ROBERTS: Well, I was not even speaking of the ostensible authority of the minister. What I am really saying is that as a minister, as a member of the cabinet I saw an infinite number of opinions from the law officers of the Crown who consistently and constantly and I believe correctly advised the government that, you know, an agreement to be binding if it is to be a period of more than twelve months must be entered into either under some legislative authorization or must be ratified by legislation. That is why we have any number of acts in the statutes of this Province, you know, "An Act To Ratify, Confirm, And Adopt An Agreement Between, and that, Her Majesty In right Of Newfoundland and Some Mining Company."

Be that as it may. As far as I know the old mining tax has been paid only by these three operations. The other operations are paying different rates of tax. All the government are doing here is changing the rate of tax. They are not making it apply to all the old operations. I do not criticize that. I said that I think that is the right thing to do. But, I want to be sure that the people of Newfoundland realize exactly what this bill is all about, that in that sense it is not a great step forward. A five per cent rate becomes a fifteen per cent rate. That is an increase of a factor of three. Significant but not quite so significant, Sir, when one realizes that the Government of Canada have abated the taxation on mineral companies.

The minister told us this morning that they have abated it within the past two or three years,either have or are about to. It is phased in over a period of two or three years by a sum of twenty-five per cent. The tax rate - I made a little note - the tax rate when he spoke,and he could correct me,please,if I misquote him, was that the tax rate now on mineral corporations is twenty-five

per cent of their taxable income. Is that - I am taking the federal corporation tax. That is correct? It formally was higher. It has been rebated. I had not realized it was -

MR. BARRY: Remember they do not permit the deduction of royalties.

MR. ROBERTS: Oh, yes.

MR. BARRY: That was the undertaking -

MR. ROBERTS: I will come to that, I mean the change in the method of computing them. Let us deal with that now then since the minister has brought it up. Formally the Government of Canada allowed to be deducted from a company's income in computing taxable income for the purposes of corporation tax, they allowed as a deduction the royalty paid to the Province, or for that matter the royalty paid to anybody else, but let us talk about the royalty paid to the Province.

Then after Mr. Lougheed in Alberta and Mr. Blakney in Saskatchewan started deciding they were going to get a great deal more from the resource developments - I do not quarrel with it, but I am just relating stated facts - the royalties were raised substantially and the Government of Canada, rightly or wrongly, but again I am relating the facts and not assessing their merits, said we are no longer going to allow the deduction of royalties.

because that would have been a way for the government of the Province effectively to take almost all of the income from a project. And the Government of Canada - again, I am not taking a position at this point on the rights or wrongs of their moves - the Government of Canada said that would negate the federal power to tax and the federal desire to tax and therefore we shall change the rules. We will not allow royalties to be deducted and then subsequently they rebated, they changed the rulea.

Then, Mr. Speaker, they went ahead and changed the tax rate because, of course, in this country we do not as yet pay all of our taxable income as defined in taxes. we pay a percentage of it. Whereas the rate formerly was of the order of forty per cent, to which was added the provincial tax, which in thia case is thirteen per cent in Newfoundland, the rate is now to be twenty-five per cent, to which again must be added the provincial tax. Am I correct? I did not think I had forgotten it. It has been a year or two since I had occasion to look it up.

So, we have the situation now, Sir, where in respect of federal tax a company, a mining company doing business in Newfoundland will compute its taxable income, including therein royalties, whereas formerly they were taken out. Its taxahle income will include such amounts as it may have paid in royalties, and it will then take twenty-five per cent of that sum and will send it off to Ottawa to satisfy the obligations to pay corporation tax. They will additionally send thirteen per cent off to Ottawa who are acting as collecting agents for us, the Government of Newfoundland and Labrador in this sense. Our taxes are collected by the same rules as theirs.

Now, Sir, for a company operating in Alberta, an oil company or a company operating in Saskatchewan, or a company operating in British Columbia, where I believe the royalty payments have been

raised substantially as have the tax rates, the net effect of it all - well, you could an argument - but the net effect of it all is that about the same porportion of their total income goes to taxes as hitherto. Now, if the House wants and if it is in order we could get into a detailed discussion. Obviously the effect in each case will depend upon the facts in each case,but I think it is a safe generalization to make that the net effect of what has been done, the present situation,is to leave the companies operating in those Provinces which have substantially increased their royalties in roughly the same position.

Well, the minister shakes his head. When he speaks, perhaps he would want to touch upon this. But in any event I was going to go on and point out that all that is irrelevant to Newfoundland because we have not changed our royalty rates in Newfoundland. We have not changed our royalty rates in Newfoundland. We are increasing the mining tax but we have not changed the royalty rates.

MR. BARRY: The mining tax is not deductible either.

MR. ROBERTS: No, I - otherwise, if the mining tax were deductible then the Province would charge a royalty and call it a mining tax - and a rose by any other name. But, Sir, we are increasing the mining tax by ten per cent, ten points. We are not talking per cent of income, We are talking points of corporate tax. And instead of - no, I am wrong, I am wrong, I am sorry, Sir - instead of taking five per cent of the net income, of the taxable income derived by the operator we are going to be taking fifteen per cent. We are taking an additional ten per cent of the taxable income. The point I am making is that as I understand it - now, the minister did not give us figures and I do not think dealt with this at any length in his argument, in his presentation of the bill and perhaps he will when he comes to close it - hut the total net take from the mining companies in business in Newfoundland will not be significantly greater. They will be paying less to Ottawa. They will be paying more to Newfoundland.

I welcome that. Obviously that is a good thing. What money we get we can spend. What money Ottawa gets, Ottawa spends. If they choose to give it to us well and good. But if they choose not to there is remarkably little that we can do about it. So, this bill in itself is not going to make the mining companies pay any greater proportion of their taxable income to the coffers of the Treasury, federal and provincial together.

It should be noted that Ottawa's decision to withdraw from the tax field, fifteen points, fifteen per cent with an increase as a positive thing, then that would benefit a company. Then as against that saying you can no longer deduct taxes paid to the government of a Province, be they called royalties or be they called taxes, that left us, I believe, more room than we are occupying now. Perhaps

the minister could address himself to that. Let us take examples. Let us suppose a company made $100,000 hitherto in taxable income in Newfoundland. If they paid a federal corporation tax, Your Honour, of forty per cent of that, now that $100,000, Sir, under the old system would have allowed a deduction of monies paid to the Province for royalties, five per cent. So let us say they made $100,000, and they paid $5,000 to the Province under the five per cent tax - am I right so far? - it left them $95,000 in taxable income. We have already taken care of their wages and everything. The $100,000 figure is after that. They would have paid forty per cent of that to Ottawa, and that would have given us $38,000 in payments to Ottawa. And then they would have paid another thirteen per cent of the ninety-five per cent to us, and thirteen per cent of ninety-five per cent is $9,500, and another $2,850, and that is $12,350. I could be wrong on the arithmetic but I think it is close enough.

So then out of their $100,000, Mr. Speaker, the company would have paid the Government of Newfoundland $17,350, and that is $5,000 in royalties or in mining tax, call it, and $12,350 in corporation. And they would have paid the Government of Canada $38,000 in tax, in corporation tax. Now that was the old system, Sir.

Let us now look at our same company with the present system. The company after they paid their wages and paid their men and paid their gasoline and all of that makes $100,000. They have to pay us $15,000. Okay, that is $15,000 for Newfoundland. But they are not allowed to take that off the Ottawa - the figure from which Ottawa taxes or the base on which Ottawa taxes, so Ottawa is going to take twenty-five per cent of $100,000, so that is $25,000 that goes to Ottawa. And in addition we get our thirteen per cent on the corporate tax and we are playing it the same way that Ottawa is playing it, the same rules that Ottawa is following because that is the condition under which they collect, If it was not for that they

would not collect. So we get thirteen per cent of $100,000, $13,000.

Our total take, Mr. Speaker, now is $15,000 and $13,000 for a total of $28,000. And they pay Ottawa $25,000. And the total is $53,000, almost exactly the same as they were paying under the old system which was $50, 3 - well it was $55,000 to both governments under the old system. The Newfoundland take has gone up. It has gone up from $17,000 to $28,000. So we are ahead by $11,000 on my examples.

Now I am not going to stand by those figures, Mr. Speaker, until the world ends, but I think they are correct. I think the example as worked out is a correct one.

So let it be realized that the total tax burden on the mining companies, as I understand it, does not seem to have increased very greatly. The total amount of money accruing to Newfoundland will have increased but not dramatically, not by three times. In my example here, will have increased from $17,500, in round figures, to $28,000, and that is $11,000 on $17,000 -

MR. BARRY: The amount we are receiving from mining tax will have increased three times.

MR. ROBERTS: Yes. But not the amount received by Newfoundland. The minister said, Mr. Speaker, that the amount received by mining tax would have increased three times. That is quite right. Whereas formerly it was $5,000, it will now be $15,000, and that is three times. What concerns me, as one concerned with the public finance of the Province, is not how much we pay on any given heading, or however much we get on any given heading from a company, but what the total take to the Treasury is. Because if we are doing a benefit cost analysis of any sort obviously what counts is everything we get. Now the other tax rates have not changed, the S.S.A. and the gasoline tax still apply as they would have before. There has been no change in that.

But surely what counts, Mr. Speaker, is the total amount of money which the Minister of Finance receives in a year in respect of the operations of a company, and in this case a mining company. So the effect of the Ottawa abatement

and the effect of the change in deductibility of mineral taxes and royalties has been to leave the tax burden of the companies substantially unchanged. I think my figures would be equally true with any level of taxable income. I do not know what would happen if the royalties have increased dramatically from say, $5,000 to $60,000. But that is not our case here. We are talking of five per cent to fifteen per cent or $5,000 to $15,000 in our example. So, I think that is a point worth making.

We are not overtaxing the mining companies. I am not suggesting we should,but let it be known that as I understand it, people I have discussed this with, they are not going to be paying a great deal more of their total income over to government, federal and government provincial taken together. The fact that we are able to increase our taxes here is largely because of the fact that Ottawa,for reasons nothing to do with Newfoundland but because of the situation in Alberta and in Saskatchewan and British Columbia, Ottawa has agreed to rebate a large part of its tax revenues.

Now, Sir, it should be noted that in each case we are talking only about taxable income, the company's income after deducting therefrom the amounts that the Government of Canada will recognize as being legitimate expenses, expenses incurred in the process of earning the income. Now, that is one of the taxes levied by this act, Sir. It is an increase from five per cent to fifteen per cent. That is well and good but it does not apply to any of the existing operations. It is not going to give us a nickle more from any of the arrangements that are there. I do not see how it could. I do not think in policy it should. But the fact remains it will not.

Then in addition to that it will not significantly increase the total tax burden of the companies concerned although it will increase the amounts which we receive directly in our treasury, and that is very much to the good. That was why I raised the equalization point because I want to know just what affect this will have on equalization.

You know, equalization is a strange thing, Mr. Speaker, a very strange thing. It is almost a guaranteed annual income. If we were talking social welfare policy equalization is a guaranteed annual income. The Government of Canada is saying you will get a certain amount. Now, it is different from stabilization which is another formula that Ottawa used in their dealings with provinces. But equalization sort of says, we will guarantee that if you work so many hours you will earn so many dollars an hour. That is not a bad analogy at all. It is like a minimum wage and a guaranteed annual income.

If we make the money on our own then Ottawa does not pay it up. When the Minister of Social Services comes to look at guaranteed annual incomes, I am sure one of the big policy problems is the problem of incentives. You know, he is nodding his head in agreement and I think he and I are on all fours at this one. You know, I do not - this is not the place to debate it and I am not sure that any perfect solution has been found but it is the problem. If a man is receiving social assistance, what incentive is there for him to get out and work and earn some money and get off social assistance.

I once discovered the quite startling fact that people on social assistance in Newfoundland were paying 100 per cent income tax. In fact they are and were because if they earned a dollar under certain conditions a dollar came off their social assistance check and that is 100 per cent income tax. But that is another story altogether.

So, so much for the mining tax part of this bill, Mr. Speaker. The Royal Commission recommendation was not accepted by the government. That is really neither here nor there. I mean, the government are not bound to accept any Royal Commission reports unless they want to. The commission which I think did a splendid job by the way and I think the citizens of Newfoundland owe a debt to Dr. Goundrey and Mr. Noonan, not Mr. Noonam, Mr. Maher, Mary Noonan's father, and Mr. Martin, the three commissioners. They were good choices and discharged their commission with promptitude

and with dispatch and I think a very excellent report resulted.

The commission recommended, I think it was a seven per cent tax on income as opposed to a fifteen per cent tax. I am looking through the recommendations but I do not see the level here. I think it was seven per cent.

MR. BARRY: But you have to tie that in with the other thirty per cent as well.

MR. ROBERTS: Right. Right. Well, I will come back to that. I suspect a total tax burden on a company under the bill is not significantly different than that what would have obtained -

MR. BARRY: 11.6% as recommended ,

MR. ROBERTS: So in any event the commission recommended a seven per cent income tax and we are now looking at a fifteen per cent income tax. Of course that is in addition to the normal corporation tax which in the case of Newfoundland is thirteen points. So, what we will have now is that a company making money in the mineral business in Newfoundland will

pay twenty-eight per cent of that money to the Government of Newfoundland, fifteen per cent as a mining tax, thirteen per cent as an income tax and will then pay twenty-five per cent to the Government of Canada as an income tax and so the total tax burden is fifty-three per cent, not significantly different than it was before all the folderol started, the only change in it is that we are getting more as the Government of Newfoundland. Well and good.

Now, Sir, the other tax in the bill is the Mineral Rights Tax and it is a very great number of words. Your Honour will find it in part three of sections nine and ten of the bill and there are two separate taxes because there are two separate situations to be taxed. There is the one where an owner has said to somebody, well come in and mine on my land, I hold or I own the mineral rights and I have - you come in and you in effect carry out the mining operations and we will make some arrangement back and forth, and these people now have to pay a tax which is set forth in section nine. And there are a lot of words there, Mr. Speaker, and the more I read the words and the more lawyers I talk to the less the words seem to mean.

The tax as defined and levied by section nine, which by the way does not apply to any existing agreement, nor does section ten - no, I am sorry, section ten does, section nine does not. The tax levied by section nine is twenty per cent of the amount, if any, by which twenty per cent of the net income of the operator or contractor, and these are terms defined earlier in the Act, exceeds the aggregrate or the total of all monies paid by the operator or contractor during the fiscal year by way of rental, royalty or other payment to any person other than Her Majesty for the grant of the right to engage in mining operations.

So if the contractor is paying twenty per cent of his net income to the person, the contractee, I guess you could call it, a lessor in a fact, then he pays no tax under section nine and that is a policy of his and I do not quarrel with it. What the minister is saying is that if twenty per cent of the amount is going out in royalty payment, we will tax the royalty payments under section ten, then we are

not going to take anything more from the contractor except of course the mining tax and the income tax which he pays just as if one runs a bull's-eye shop one pays the income tax.

In section nine there is a fair number of words but you know it could mean a very small tax. It could mean no tax at all. The most that the tax could be under that if I was so generous as to invite Your Honour to come on to my mine, my mining claims and to mine thereon and to pay me nothing - an unlikely occurrence, I would suggest to Your Honour, but if I were so to suggest and Your Honour were so to accept, and you were to pay me nothing, the maximum tax which you would have to pay under section nine to Her Majesty's assessor's. The tax collectors would be twenty per cent of twenty per cent of your net income and unless my arithmetic is gone completely awry, that is four per cent of your net income, not an overly onerous burden indeed. And if I levied you ten per cent of the net income, or an amount which came to ten per cent of the net income, you would only be paying two per cent additional to the tax collectors.

Well, that is what section nine does, not terribly exciting. I am not sure whether there are any actual arrangements in Newfoundland that would be caught under this. I do not know enough about the details, the various mining arrangments. I assume it is put in there to close a potential loophole. There might be a way to avoid some tax.

We come to section ten which is disappointing.

MR. BARRY: Section nine also applies to operators where they are not paying any royalties, not into any royalty arrangement. They will then pay twenty per cent of the twenty per cent of the arrangment.

MR. ROBERTS: Oh yes, as I said that was analogy. The minister has - I do not know if the mikes picked these up, you get pauses and inaudibles but the minister has just referred to the arrangement that I perhaps facetiously suggested His Honour and I might enter into whereby I said come on to my mineral lands and mine as you wish and pay me nothing.

MR. BARRY: No, but where you have nobody involved with you at all, where you just -

MR. ROBERTS: Oh well, I am an operator on my own! Oh sure, of course it does. Of course it does. Why should it not. I mean an operator does not have to be an owner but an operator may be an owner. No, I am sorry. Contractor means a person who contracts with another person having a right. So a contractor, a person having a mineral right cannot be a contractor, Section 2 (c) and operator is not defined.

So therefore "operator" would have either the meaning in the Interpretation Act or the normal interpretation it bears.and presumably an operator can be somebody who owns the mineral rights. If I mine my own land I would presume I would be defined as an operator. I assume so. Now is that a correct interpretation? Okay, the minister nods. I am not going to be downtown giving advice on this bill, I would hope.

Now, Sir, let me come to section (10) because it is the one I think is the disappointing section.The Royal Commission recommended, as the minister pointed out,that we adopt a new principle entirely when it came to taxing royalties. Now whether they are called royalties, rentals or like payments and the draftsman, the draftsman at least in writing the head notes in the bill had some difficulty in finding precise words of art and so he took refuge in very general words, he calls them rental, royalty or other payment, a pretty comprehensive thing. But what we are talking about basically is the money which many people - let me put it in other words - there are many people in Newfoundland who have mineral rights but do not mine. Labrador Mining and Exploration own the mineral rights on which the Iron Ore Company of Canada are mining in Labrador West. The Javelin Corporation,or whatever they are called, Canadian Javelin, I guess, own the mineral rights on which the Wabush Mines consortium is mining in Labrador West, the Scully Mine, the Wabush Mines. But these owners do not operate. They do not mine. They do not, they in effect have contracted with somebody else and in each case the somebody else, Iron Ore Company in one case, the Wabush Mines consortium in another, has to pay for the privilege.and so they should. Up until now they have not been taxes. Am I correct? There has been a broad loophole in the law and they have not been taxed other than the normal corporate tax. They paid their share of the corporate tax like gentlemen. If not the provisions of the law were applied with all their rigor. But there was no specific royalty tax.

On the other side of the coin the operators were, of course, allowed to deduct in computing their taxable income the royalty payments they paid to Labrador Mining or to Wabush.

MR. BARRY: No, no!

MR. ROBERTS: They were not? They have been up until now. Of course they were - included in our corporate tax?

MR. BARRY: No.

MR. ROBERTS: The minister shakes his head vigorously. I will bow to him but -

MR. BARRY: My understanding is the -

MR. ROBERTS: Well, I bow to his understanding. He has made a closer study, I hope, than I have been able to. But under the Canada Corporate Tax Act?

MR. BARRY: Oh, no! I am sorry. We are talking about different things.

MR. ROBERTS: Okay, now I go with the Canada Corporation Tax, when Iron Ore Company of Canada come to make up their income -

MR. BARRY: I thought you were referring to the deduction from their taxable income under our -

MR. ROBERTS: No, no, no, no, no! I am not talking about our mining tax. No, no!

MR. BARRY: - - mining tax.

MR. ROBERTS: No, they were not. I will come to that. Oh! They are to be allowed to, I think, under - if I read section (10) 2 correctly, (10)2c - they are to be allowed to deduct them here from now on.

MR. BARRY: If that applied to I.O.C.

MR. ROBERTS: But let me come to (10)2c. The point I am making is that Iron Ore Company of Canada or anybody else, in computing their federal income tax, corporate tax, was allowed, of course, to deduct what they paid Labrador Mining and Exploration, or, for that matter, what they paid to the Government of Newfoundland. Okay. The Royal Commission brought in a new proposal. I think our arrangement was probably reasonably standard across Canada,

Mr. Speaker. I have not checked all the acts and Heavens knows, I am not an expert. I might add as well, I have not been lobbied by any of the mining companies on this bill. What lobbying they have done has been, I do not doubt, directed at the minister and his officials.

MR. BARRY: Aggressive.

MR. ROBERTS: I am sorry?

MR. BARRY: It has been aggressive.

MR. ROBERTS: I would hope it has been aggressive. I mean there are large amounts of money involved. If it had not been aggressive then I would fear that the minister had not been doing his job at all properly. In any event, most governments across Canada, as far as I am aware, have levied royalties on roughly the same basis as has the Government of Newfoundland in the past. They have taxed royalties, as far as I am aware, in much the same way. In each case -

MR. BARRY: That is not our way.

MR. ROBERTS: I am sorry? The minister is -

MR. BARRY: It is not what we are doing here.

MR. ROBERTS: No, no, I am not talking what we are doing here, hut what we have done in the past, the way it has been in Newfoundland. I am not saying it was right or wrong. What is now acceptable in public policy may not have been acceptable ten years ago, and what was considered wise in 1965 may not be at all wise today. To give the minister his credit he did not, in introducing the bill, take a tack he might have taken and said "Look, there are all of these terrible rip-offs and we are trying to correct them. There may or may not have been rip-offs at the time. I do

not know. But what was then may not be appropriate now. And if the minister had taken that tack we would have had a different debate this afternoon, and maybe a more lively one, and maybe not as useful.

In any event the Royal Commission, Mr. Speaker, and this is important, recommended a new principle. And the principle was that we no longer levy royalties on the basis of net income or taxable income. And as Your Honour will see in Section (10) the amount which is taxed is defined as net revenue, and then further down in Section (10) we are told how the net revenue is to be computed. And there it is. Its very straightforward and essentially it is not very different from the Income Tax Act, you know, the sections in the Corporate Tax Act.

So we are talking about net revenue, and all we are doing now is we are taxing net revenue, which means if a company makes some money, as defined, it pays twenty per cent of that net revenue over to the government, one dollar out of every five. Labrador Mining and Exploration,if they make $1 million a year,will pay $200,000 of that in taxes to the Minister of Mines.

In computing net revenue they are allowed to deduct all administrative,accounting, legal and other expenses which in the opinion of the minister are necessarily incurred by the taxpayer in the collection of the money from the operator or contractor, and that would, as far as I can see, really would cover all of the expenses of doing business, because Labrador Mining and Exploration or Canadian Javelin or any other company in that position do not operate, they do not have any operations other than a, you know, a fellow sitting in an office to receive the cheque and make sure it comes in on time and is applied against whatever purposes the recipient wishes to apply it. And then they are also allowed to deduct any exploration charges they may have, and they are also, of course, allowed to deduct any royalties paid to anybody other than Her Majesty in return for the grant of the right to engage in mining operations, and, of course, that is caught under another section.

Now, Mr. Speaker, the Royal Commission recommended an entirely different principle. To begin with they recommended a tax rate of thirty per cent, but that is largely meaningless because they were purposing to tax a far different base. The Royal Commission were purposing to tax the total income of the company and to tax it as a royalty basis. I am trying to find the precise recommendation. Yes. It is on page four of their summary, It is recommendation 2 (b), "Income from mining operations after deducting payments for the right to mine should be taxed at seven per cent, Payments for the right to mine should be actual payments to previous holders of the mineral rights or twenty per cent,whichever is greater, The rate of tax on income arising from payment to the right to mine should be thirty per cent." That is the recommendation.

MR. BARRY: Which one are you referring to?

MR. ROBERTS: I am on page four of the summary of recommendations, the section near the end. It is headed, II - Mining Tax. "Mining operations after deducting payments for the right to mine" - the term they developed - "should be taxed at seven per cent" we are looking at fifteen on net income - "Payments to the right to mine should be actual payments to previous holders or twenty per cent,whichever is greater, and the rate of tax on income arising from payment to the right to mine should be thrity per cent."

AN HON. MEMBER: Inaudible.

MR. ROBERTS: I am sorry? Does the Minister of Municipal Affairs have - he was engaging with one of my collesgues in something else.

MR. PECKFORD: I am sorry.

MR. ROBERTS: Now, Sir, let me just say that I do not really know whether the government have done the right thing or not in their decision to levy this tax on net revenue. I think I followed the minister's explanation, and I think I can understand it. I am not entirely sure I agree with it. I can see where the mining companies would be very strong in it. But I think there is an agrument to be made on the other side, and perhaps the minister in closing could deal with the argument. As I say,I am not putting it forth because I support it, I put it forth for examination, because I think it is a new idea and it is one that is worth examining. A royalty,

Your Honour, is much like a rental. I realize in law there are distinctions and differences, but what we are talking of here essentially is the money we get as the ultimate owners of mineral rights in the Province, the Crown, which is the ultimate owner of all rights in the Province that have not been otherwise alienated. We give somebody the right to come in and to mine those minerals, to take them out of the ground and to do what they wish with them. In return we get a royalty payment.

Now, Sir, the tradition across Canada and the tradition continued by this act has been that that royalty is regarded as a per cent of the net income. I rather like the other suggestion. I think it should be looked at. Maybe on examination it should be discarded. But, I think there is a case to be made for the view that the royalty is a cost of doing business and should be either a fixed amount or a percentage of the total revenue, not the net revenue. If Your Honour should decide to open a bull's-eye shop, if that was Your Honour's calling in life - let me try to construct the analogy - and Your Honour did not own the building in which the bull's-eye shop was to be located, but rather Your Honour were to rent the bull's-eye shop premises, Your Honour would have to pay a rent to the owner. That rental can be compared in my analogy a royalty. Your Honour's rental almost certainly in the normal course of business would be so many dollars a month.

There might also be - I am told in supermarkets they are now bringing in the clause, or in shopping plazas, that type of place, a percentage of the net, you know, of the income of the place as well. But, Your Honour would have to pay each month, whether Your Honour sold one bull's-eye or one million bull's-eyes, would have to pay the rent. Am I right? I mean, that is fairly standard. If my honourable friend, the Minister of Mines and Energy goes back into practice he and his law firm have to pay the owners of their building, who I suspect are themselves in another corporate guise, have to pay the rent each month whether they service one client or 1,000 clients.

Now, I think that mineral royalties paid to us as the owners

are much like that. I do not see why they should not be paid on that basis, that we should say, "We are going to charge you so many dollars a ton, or so many million dollars a year, or so many per cent of your production. That is what it costs you to go in and to mine. Then if you make some money , well you will pay a corporate tax as well." I think that is an argument that at least should be looked at. And my understanding of the Royal Commission is that this was the idea which they looked at and rather favoured. I do not know whether it should be adopted or not but I had rather - and the minister did refer to it - but I had rather hoped the minister would go into it in a little greater length because I think it is an important point. It would be a new principle as far as I know in Canada. I am told it is not new in some other countries in the world. Some countries in the world have adopted this.

The obvious difference, Your Honour, is that we would get our money as owners whether the company made any money in the taxable sense or not. One of the reasons why mining income has been so, mining tax income has been so low in this Province, and it has been, even back in the years when Mr. Dennis Groom was first retained by the government. That is how Dennis Groom came to Newfoundland in the early 1960's. Mr. Smallwood sent for the firm of Coopers and Lyhrand, a firm of accountants in England of which Mr. Groom was then a partner and he said, in effect, we are getting had on our royalty arrangements. We do not think we are getting enough money. Will you come out and check? Mr. Groom came out to Newfoundland, a very brilliant young accountant at that point in time, made his check, made his report to the government and went on back to England and subsequently came back to Newfoundland at Mr. Smallwood's further invitation to work in the financial field. From thence he has gone on to greater heights.

But, you know, even back in the early 1960's people were being very concerned about this. When honourable gentlemen opposite sat over here they used to wax eloquent about it and they would go on at great length time and time again about how little we were getting, and there would be editorials in the papers and people would

nod wisely and sagely and say that made a lot of sense. The reason we got so little was twofold. One was the rate of tax,but the other was the fact that the royalties are levied on net income. Because Your Honour,there may be no net income if expenses meet revenue. Since all of these companies,particularly the iron ore companies have very heavy capital investiments, all their houses, all of their municipal services in addition to the railway and the

mining operations themselves, all of these are being and maybe have been written off. I do not know if the minister has any information there. He might be able to us. My understanding is that if the tax yield on the Labrador Mines is now going along roughly like that, $2 million or $3 million or $4 million a year, it will shortly begin to escalate quite considerably as the capital cost allowances are being used up. I do not have the figures. I have seen them. I assume they are somewhere in the Mines Department archives or somewhere else. But they will escalate quite rapidly as the capital cost allowances get used up and the companies' taxable incomes accordingly rise dramatically. Now if in return the companies, you know, make new capital investments as they both have within the past few years, that would tend to increase their capital cost allowances again and thus decrease the net incomes and thus in turn in turn decrease the royalties.

Well I am not convinced that we should not look at levying royalties on total production or on, you know, value of production, whatever basis would be a fair way to do it. The government have decided not to, and I do not quarrel with their decision but I would like to hear the minister's argument on the point. He touched upon it but I am not sure that he touched upon it as fully as I would like him to.

As I understand the Royal Commission's Report, they use different words and it is a very technical matter but, you know, the Royal Commission essentially said, let us levy on royalties. It is an idea I have heard discussed by other people whose opinions I value and I think it is one worth looking at. I am not sure there is any other business in the world where the payments to the owners are related entirely to the income. To come back to Your Honour's bull's-eye store, which I hope is doing well, will provide Your Honour with an adequate retirement income, if Your Honour's bull's-eye shop does not make a go of it financially, if the number of "bulls" that Your Honour "eyes" is not sufficient to pay Your Honour's operating expenses, then that essentially is Your Honour's tough problem and not Your Honour's landlord's tough problem. Your Honour is still obligated to pay the rent, bull's-eyes or no.

Since people are coming and taking our minerals I think, you know, there is a very real case to be made for saying that they should pay us for the right to take those minerals whether they make a profit or not. Now if they do not make a profit, of course, they will not operate. Well that is fine but our minerals are still in the ground. Now they could take our minerals, sell them, and unless they make some net income, a very tricky concept in tax law - we all know of people who have large incomes who pay small taxes because they have clever accountants, clever advisers - you know, we do not get the revenue.

Our minerals are finite. We have limited supplies. They may be large. I am told the Labrador Mines present production rates could last for a century, a hundred years or more. But they will run out eventually.

We have seen - we have not seen Bell Island run out. There is lots of ore on Bell Island yet. But we have seen several of the copper mines run out, indeed several have run out a second time. Tilt Cove has now operated at two entirely separate periods, separated by many years, and now both have closed. The zinc mine at Daniels Harbour, I understand, at present has about ten years production capability. Maybe they will find more ore. We are all familiar with Buchans which has been living on a five year reserve, a five year life span for the last - oh Buchans has been in operation nearly fifty years. It has been operating on five year reserves for about that period of time. We are now at the point where apparently we are to get no more reprieves at Buchans. It more and more looks as if the Buchans Mine will close finally and totally - in what, by about 1980 I should think? -unless more ore is found. But I believe they have not found very much the last two or three years of exploring.

So I think that is an important point, Sir. The government have chosen the path to follow and it may be the right path, but I do not think the minister has proven the case.

Now, Sir, I think that is pretty well everything I wanted to say on the bill. It is a very, very technical bill. It is - I do not

know if it is needlessly complicated or anything else, but there it is and, you know, for what it is worth we can look at it and judge accordingly. I am very glad to see that there are some appeal provisions. The minister is given some very great powers by sections nine and section five. The minister and the Lieutenant-Governor are given some very strong powers, powers that could, you know, involve millions of dollars. They appear to be very technical but let nobody be fooled, The exercise of these powers could confer upon a compsny

benefits amounting to millions of dollars or equally it could take away from a company benefits amounting to millions of dollars. Administratively it may make a great deal of sense to do it this way, and I am not quarrelling with that. But I am very glad to see that not only is there a Mining Tax Review Board to be constituted by the act which shall have certain rights to be consulted and people who are aggrieved by assessments issued by the minister or actions by the Governor-in-Council can appeal to the Board. But I am glad to see there is an appeal, a further appeal through to the Supreme Court. I regret that the appeal is only on a point of law. And again this is an old argument. The Minister of Justice in a previous reincarnation used to wax most eloquent because the Workmen's Compensation Act in those days had a similar power, that appeals to the courts from decisions of that Board could only be on points of law. And before he became converted and, as it were, saw the light or lack of light the Minister of Justice used to argue with eloquence and vim and vigor against limiting appeals to points of law.

I have always thought, Sir, his arguments were impressive. And I am not sure what is a point of law, and in that I am in good company because hundreds of judges in thousands of cases have looked at so-called points of law and know there is no clear decision or no clear thread of argument as to what exactly is a point of law. Basically it seems to be that the court, if it wants to hear a case it will call anything a point of law, much the same in effect as the jury in Montreal which exercising its - I was going to say God-given right, but certainly its right at law - chose to ignore the evidence in the Morgentaler case, and say, in effect, "We do care what the evidence is. We do not believe that this man is guilty of any crime, and so we bring in our verdict as twelve men and women, tried and true, and we find him not guilty." The courts can do that too, Your Honour. Your Honour may have had some experience with courts defining the matter as a point of law when a number of other honourable

gentlemen would not feel that way. In any event, I think, the appeal power should be a little broader.

Mr. Speaker, that is pretty well it. The bill is a step forward. I think that is a fair statement. I do not call it a very large step forward. We are not going to be taking a great deal more from the mining industry in Newfoundland than we have been taking. We are not going to be making the burden on their shoulders more onerous. We will be getting a greater share of it, and I am told it could be as much as $2 million, $3 million or $4 million a year. But we are still looking at the net income concept, and while there is not necessarily anything wrong in the net income concept I think it deserves further examination at least on the royalty side. The income tax, of course, should be a net income concept. It would be meaningless any other way.

Mr. Speaker, the royalty payment, I think, should, we should look very seriously at making that related to the actual production, if you wish, the sales. We are charging for the use of our minerals, and we can only get the use of them once. Your Honour's bull's-eye shop cam be rented for an infinite number of months, and that is where mine analogy breaks down. Our minerals can only be used once, and once they are taken from the ground, and when they are processed and used and sold, whatever happens to them, that is the end of them as far as we are concerned.

So having said all of that, Sir, I think, the minister deserves a qualified pat on the back. He spent a lot of time thanking his officials. Well and good. They are all fine men and serving the Province well. The bill is a step forward, but I do not call it a very large step forward.

MR. COLLINS: It is a giant step.

MR. ROBERTS: I am sorry.

MR. COLLINS: It is a giant step.

MR. ROBERTS: The gentleman from Gander thinks it is a giant step. Sir, he may very well hold that view, but his concept of giant and other

peoples concept of giant are very different. But, Sir, many people differ with the gentleman from Gander on any number of opinions. He may think it is a giant step forward. I do not. I think it is at best a hesistant step in the right direction. I am still not certain that we are getting as a people anything like the revenues that we should get from our mineral operations, but I guess that is another debate and another time.

So, Mr. Speaker, I do not know if anybody else on this side wants to speak. There may be some other honourable gentlemen opposite who wish to - perhaps the Minister of Forestry and Agriculture could tell us at some length and with reasons his opinion for thinking it is a giant step. I think it is a very small step forward. It is a step forward, and that I am willing to welcome, but I do not think it is much of a step forward, and that is attested to by the fact that not only is the Premier gone wherever he goes when he is not here, but there are only eight members in the House to see this giant step.

MR. THOMS: The press have all gone.

MR. ROBERTS: So, Mr. Speaker, I think that having said what I feel I should say with respect to this bill that we should at least ensure that the minister when he speaks to close the debate, or whoever is to speak next, is to be afforded

the curtesy that I was not and that the minister was not, I may add, for large parts of his initial speech, let us have a quorum call, Sir. The rules of the House do provide that fourteen members shall be in their seats.

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

There is a quorum.

MR. ROBERTS: Mr. Speaker, I had the floor when we adjourned and I had said what I wanted to say, but I think it is a fair comment that in order for the government to get a quorum, Sir, Your Honour had to be called back and the Deputy Speaker had to leave the Chair and resume his seat as a member of the House. There are only fourteen members on the government side here, Sir. So, I hope they stay because if not there will be more quorum calls. If the government do not accept their responsibility, then, Sir, they will have to answer for it.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. ROBERTS: Oh, they are about Her Majesty's business in one place or another.

SOME HONOURABLE MEMBERS: Oh, oh!

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

MR. BARRY: Well, Mr. Speaker, just with respect to the number of members present, I think it should be formally noted that the Leader of the Opposition is the sole and only member present on that side of the House.

MR. ROBERTS: We go for quality not quantity. I am going shortly too.

MR. BARRY: Oh, well. We will get a lot of work done then I gather by the rest of the afternoon.

Mr. Speaker, if I could just direct myself to some of the -

MR. ROBERTS: Gentleman, do not go too far!

MR. SPEAKER: Order, please!

MR. BARRY: - points raised by the Leader of the Opposition. The first question he asked was the effect on equalization. I checked again this

afternoon. The understanding that I have is that the facts as set out by Mr. Goundrey in his report indicate the situation fairly accurately and that apparently in the last year since that report was done there would be even less lost in equalization so that basically for every additional dollar we receive in the way of mineral revenue, it is my understanding now, I am informed that we would only lose five cents, approximately. So, five cents on every dollar would be lost by way of equalization.

But, in any event, Mr. Speaker, it is the position of this government that even if it was a one for one, dollar for dollar transfer, which it is far from that, of course, but even if it was we prefer, Mr. Speaker, to pay our way as much as possible rather than rely on transfer payments through the federal government. Even if we were merely substituting a tax from a resource-based industry for equalization payments, we believe that that would be the appropriate thing to do.

But, as I mentioned, for every dollar earned in additional mineral tax there will be approximately five cents rather than the seven-point-five pointed out in the Royal Commission Report, about five cents go by way of equalization. The affect of the federal income tax abatement was referred to by the Leader of the Opposition, and, I think there are a couple of points that should be brought out here. One is that our Province must remain competitive with other Provinces, and other countries of the world, for that matter, in terms of attracting investment capital, in attracting companies to come in and spend money on exploration in this Province. We are not so far ahead of other provinces in terms of mineral development or employment that we can afford to start being the pace setter as far as rates of mining tax are concerned if that pace setting ia likely to deter companies from coming to the Province and investing, thereby leading to the discovery of other mineral deposits, other ore bodies and further mining developments. That is not a safe track, Mr. Speaker, for this Province to take. Nor do we agree that we should have an abysmally low tax.

What we are trying to do by this legislation, we are trying to find the happy balance, Mr. Speaker. We are trying to introduce a moderate piece of mining tax legislation that will ensure, on the one hand, that the government gets an adequate amount of direct revenue, a percentage that is comparable with that received by other provinces so that we are not far behind other provinces as we are now before this piece of legislation goes through. but, on the other hand, Mr. Speaker, while getting this

additional revenue we also want to maintain an incentive for companies to come into the Province, to spend money on exploration and other developments because we realize there are significant benefits in addition to mining tax for this Province from every mining development. The mining industry traditionally has been one with some of the greatest spin-offs, to use that much abused term, the greatest multiplier effect. You have large numbers of jobs in service industries for every job in the mining industry. You have considerable revenue to government from corporate tax from personal income tax of employees working in mining operations and so on, considerable revenue from sales tax, etc.

So, we have to recognize that we want to see continued development of mining operations in the Province. As a matter of fact, Mr. Speaker, the mining industry is a fantastically important part of this provincial economy, of our Province's economy. I would submit that we could do worse than to concentrate on the encouragement of further mines, further mineral developments in this Province in our attempt to reduce the level of unemployment and improve the strength of our provincial economy. This is a path that our government has decided to take. It is a path that we do not want to see blocked by our bringing in a rate of taxation that would be unrealistically high when compared to other provinces. We have to continue to attract new dollars for investment in mineral exploration and the development of mines.

So, the reference of the

Leader of the Opposition to the fact that we could have taken up more mining tax because of the fact that the federal corporate tax had been abated, first of all I think we must remember that we are going up to a level now that it is competitive with other provinces, that we have taken up the amount of the federal tax abatement and more, Mr. Speaker, and more. The very rough figures used by the Leader of the Opposition I realize were merely used as an example, and it may be correct that there is no great increase in the net position of the companies as far as the combined effect of mining and corporate tax is concerned, but again we have to look at the impact on the provincial economy. And the Leader of the Opposition himself by his own figures indicated that there is a considerable net benefit to the province by the step that we are taking here, a considerable increase in the net revenue that is received by the province.

We could have charged ahead and set the pace for all of Canada or all the world for that matter in the level of mining taxes that we set, but it would not do very much, Mr. Speaker, to encourage other companies to come in and spend money to develop new mines.

I should also point out that the federal corporate tax abatement of fifteen percentage points was done in the context of their no longer permitting mining companies to deduct royalties from the corporate tax that they pay. So that we had to keep that in mind in computing the rate of our mining tax as well, that the companies were put in a different by not being able to deduct whatever mining tax or royalties we imposed on them for purposes of their corporate income tax.

The Leader of the Opposition referred to the fact that we should collect a royalty or a rental as recommended by the Royal Commission on Mineral Revenue,or he put that out for discussion as something that should be considered instead of a tax on profits,or maybe he intended it as in addition to a tax on profits, that this should be considered a cost of doing business the same as renting a house is concerned.

MR. COLLINS: Bull's-eye shop.

MR. BARRY: For a bull's-eye shop. Well, Mr. Speaker, I would like to point out that there are rentals charged to companies that are engaged in mining operations. Now these may not be as large as they

should be but there are rentals charged with respect to mining leases that are taken out. Under the Crown Lands, Mines and Quarries Act we have a new minerals act that is in the process of being drafted. It is almost completed. We hope to have it for this session. We may still be able to. It is still uncertain as to whether the drafting will be completed in time. The same thing applies incidentally for the mineral acreage tax that we are bringing in to encourage the people that hold long term mineral rights to either explore them or have them revert to the Crown. We are not sure if this will be completed drafting in time, we hope it will be, but in any event it will be ready for the next session of the House.

But, Mr. Speaker, we looked very closely at this question of whether we should impose a tax as a percentage of profits of mining companies, or whether we should charge so much per ton ssy of ore, so much percentage of the value of the ore taken out by companies. I am not satisfied that we have reached the ultimate situation here. It may be that a more sophisticated system, getting the same approximate tax burden on companies would be to have a combination of the two, have a certain minimum royalty and then a certain tax on profits in addition so that the province would always be receiving a payment from mining operations even though a company may, say for one year, be running at a loss.

Well, that is something that can be looked at. It is a pretty complicated and involved area and we decided that we were not in a position to make a decision on this at this time. We would not be able to bring in legislation incorporating that aspect but

I am not saying that it is something that is not going to be looked at, or that we will not continue to consider it. I will say that what we are trying to do in this act is to indicate the total tax burden, the level of tax that we see as appropriate for the mining industry in this Province to remove any uncertainty that might exist at the present time.

Now, I would like to point out that there are certain countries that have imposed what they call an ad valorem tax, or a rental as the Leader of the Opposition referred to. One was the nickel mines in New Caledonia where they had a tax, an ad valorem levy on nickel that was mined there. I will just read out an article from the Mining Journal, just a section from this, and this is as of January 31, 1975. I will just read out that the present system of taxation accounts for between thirty and forty per cent of the total New Caledonian budget, that is, the ad valorem tax on the mining operations. Although it protects the islanders from variations in the profitability of the operating companies it takes no account of wheather the mining companies are operating at a profit or a loss. The system has been criticized as outdated and has been a major factor in deterring new mining investment in the island. It was instrumental in bringing about the virtual financial collapse of one company that is referred to here.

So, we see, Mr. Speaker, that in at least one country where this experiment was tried, where they attempted to derive all their mining revenue by way of an ad valorem royalty or rental based on the value of production, that they have decided that they must change. What are they changing to? They are changing, Mr. Speaker, to a fifty per cent tax on profits which is the same thing as we have in this present legislation. Most provinces, most countries do impose a tax on profits, they do recover their tax on profits. Because, Mr. Speaker, as I have mentioned, one factor is that if you charge a company a certain rental for every ton of ore, then this is going to encourage that company to high grade, to take out the highest grade ore because then if the rental is fixed that will be

a smaller percentage of the value of that particular ton of ore, say.

So, we do not want to encourage high grading. Neither, Mr. Speaker, do we want to put marginal operations out of business which is the other thing that an automatic rental can do. Why do we not want to put marginal operations out of business? Because, Mr. Speaker, we have a very great concern about the level of unemployment that we have in the Province and we want to ensure that every possible Newfoundlander who can be employed in a mining operation, or otherwise, is employed. We do not want to bring in a taxation system that could lead to the closing down of marginal operations that are just barely scraping along and not making any real profit.

Mr. Speaker, one of the things pointed out by the Royal Commission on Mineral Revenue is that most of our operators, our mining operators are not all that flush with cash. They are not all that wealthy. Now, I have a few questions about that comment by the royal commissioners, and they themselves pointed out certain problems, where, for example, you have the income of the mining company based upon payments that they are getting from another arm of the same company where - I do not know if I am interrupting any of the conversations back there, Mr. Speaker, but it is awfully difficult to give any information here.

But, Mr. Speaker, the - where was I?

What was I talking about? They have got me thrown off altogether. Oh, yes! The marginal mining companies.

The Royal Commission did indicate that certain landlords were making considerable profit from mining operations, but that the actual companies doing the operations were not in that advantageous a position cash-wise. But there are concerns that we have to look into with respect to transfer payments between different arms of the same company. Say a company - well, one example would be (I will just give them as an example, There are many others) would be the Alcan operation at St. Lawrence as to whether the amount that is being recovered by the company for ore sold to the parent company is the true value, a fair market value or not That is always a question wherever you have interrelated companies dealing with each other.

But subject to that qualification there is an indication by the Royal Commission that many of our mining operations unfortunately are not all that profitable, Some of them can be termed marginal. They all, of course, are subject to variations in the price that they recover for their ore, and prices, particularly copper prices, are not looking too healthy at the present time. We saw, unfortunately, the Green Bay Mining Operation have to cease operations not because the ore was not there, but because the value that was available for copper, the market price had deteriorated to an all-time low. So economics are relevant, Mr. Speaker, and we do not want to put any operations out of business by putting in a taxation scheme that would ignore the profitability of mining operations.

Now, I think that is all I have to say, Mr. Speaker, other than that there are fairly large powers set out here in the Mining Tax Act, and there were considerable and similar powers, in many cases, in the old Mining Tax Act. What we hope to do to avoid being accused of arbitrariness or political patronage or anything else, what we hope to do is set out either by way of regulation or by way of published guidelines the rules of the game as we see it, and in areas where, or as many areas as possible, where either ministerial discretion or discretion by the Lieutenant-Governor in Council is involved.

So, Mr. Speaker, I disagree with the view of the Leader of the Opposition that this is not a very great step forward. It is a significant step forward in a number of ways, not the least being that it is setting a uniform set of rules for future companies to operate under. Formerly and up to now, up to the last two or three years companies had been discouraged from coming to the Province because there was too much one to one dealing. When a company came in they were not aure what the rules of the game were going to be as applied to them. They were not sure whether they were going to have to get involved in a special agreement. And that, of course, also encouraged companies to come in and lobby for special terms, special conditions, special benefits.

Now we hope to remove this type of preasure, this type of lobby by setting out a uniform set of guidelines that will be applied and combined with the new policy we have of throwing open mineral lands for competitive claim staking. We hope to see the continuation of the great increase in interest on the part of the mining companies in Newfoundland that we have seen over the last three years. We hope to see this momentum continue so that we will have further mines developed in the Province providing employment for Newfoundlanders and direct revenue to the government of the Province. Thank you.

On motion a bill, "An Act To Impose Taxes On Income From Mining Operations Within The Province And On Income Obtained Or Derived From Persons Holding Rights To Mine", read a second time, ordered referred to a Committee of the Whole House presently by leave, carried.

MR. CROSBIE: Order No. 17.

On motion second reading of a bill, "An Act Respecting The Gander Development Corporation." (Bill No. 60.)

MR. SPEAKER: The honourable the Minister of Industrial Development.

MR. DOODY: Mr. Speaker, this bill has been introduced to the House in an attempt by government to set up an apparatus to cure the persistent problems with the Gander fuel supply, primarily.

We all know the history of the Town of Gander, the importance that once was attached to the Gander International Airport. We all know now that with the increase in size of aeroplanes they are no longer dependant on the stop at Gander and many of them have been overflying Gander Airport and heading directly to landing strips in the United States, Canada, or going the other way to Europe.

The Government of Newfoundland is convinced, Sir, that an opportunity to maximize profits and to maximize the use of the airport does exist. We have had many discussions with the department, or with the Ministry of Transport and with others, and this helps to confirm our belief. The continuing developments in world trade have resulted in an increasing flow of goods across the Atlantic in both directions and there are increasing indications that larger quantities of goods will be in the future transported by airlines. The potential for development in Gander, which will cater to assembly and manufacture of products for sale on the international markets is excellent, and it can become a reality with the co-operation of the Federal Government. We have had indications from the Federal Government that they will co-operate with us in this regard and will do what they can to establish a duty-free zone with properly applied development and promotional efforts.

The development of a transshipment facility at the Gander Airport site has been a major topic of discussion on many occasions in the past and it can materialize coincidental with the development of increased trade between the Western United States and Europe, although it would be unlikely to succeed in the immediate future if

developed in competition with airports in centres such as Chicago, New York or the now new Mirabel Airport in Montreal. However, the very success of these airports, Sir, and the resulting congestion and the traffic that surrounds them seems to make conditions ideal for Gander to capitalize on a development that centers around the increasing traffic originating in and destined for Western centres.

Our intention is to monitor and follow closely these developments and to make a major effort to attract a large share of the business just as soon as is possible, and indeed we would hope to get working on it almost immediately. The world economic conditions, of course, right now are such as to cut back on a lot of air travel, a lot of air traffic, but we think, of course, that this is a transitory thing and will change.

There have been problems at Gander. The major factor, of course, which has contributed to the recent decline in the use of Gander is the situation which has developed there relative to the supply and price of fuel. The supply problem existed for a little while during the fuel crises of last year, or 1973, but that has been pretty well alleviated and pretty well corrected. But once again it is on a, perhaps on a cyclical basis and a situation such as we had there last year we prefer not to have again. We would like to ensure that it does not happen again by setting up this Corporation.

Perhaps of major concern, of course, has been the fuel price situation. This is a situation that we just simply cannot allow to continue. This had and can have a disastrous effect on the viability of the airport and subsequently, of course, on the Town of Gander itself. There are times when it appears as though the price at Gander is almost competitive; there are times when it appears to be completely outside the areas of reasonable competition. The difficulty has been that we have not been in a position to get a firm grip on the prices and we have been very much at the mercy of the two oil companies who supply fuel at Gander.

And in some cases they supply a different type of fuel one from the other, or the normal forces of the marketplace, the supply and demand, the competitive factors which normally occur in most other areas of trade and enterprise do not apply to any large extent at Gander Airport.

It is also true, of course, that Gander and the market at Gander, the amount of fuel sold at Gander constitutes a very small percentage of the total sales of either of these two companies, or indeed, of any of the major oil companies. Or it appears to us that many pricing decisions of the oil companies out at Gander are brought about by their entering into contracts on international scales in which Gander appears to be taking a beating as it does not appear to be a very large portion on their overall sales plan.

The major difficulty that we have had, Sir, is trying to penetrate the confidential nature of the contracts of these airlines. The security system that they have set up has been absolutely tremendous from their point of view and has been very frustrating from ours. The contracts that the airlines have entered into with the companies have made it virtually impossible for us to determine accurately the amount by which prices should be reduced. There is such as thing as a drop price and a spot price. Prices vary. The contract prices are usually anywhere from twenty to thirty cents a gallon sometimes in the difference. That may be an exaggeration. I would say that it probably somewhere, I think, as high as fifteen to sixteen cents on a gallon. I think that is the biggest difference I have seen on a spot price, on a contract price sale in the same airport at the same time.

And so, how much reduction can be absorbed by an oil company while maintaining a reasonable ratio of profit? How much their operating costs are? What indeed the situation really is is something that we have not been able to get to grips with. We have had many conversations with the two companies, with the Shaheen facility at Come By Chance, but the information available has forced us to the conclusion that the fuel price in Gander is one of the

hiphest in North America and we think,but cannot substantiate, but we think that major reductions are attainable. It is our intention to increase competition at Gander by making it possible for other oil companies to enter that market. If that does not solve the problem, Sir, we are prepared with the co-operation of M.O.T. and the Energy Board of Canada through the Gander Development Corporation to participate directly in the supplying of fuel by purchasing on the open market and entering into contracts for the sales directly to the airlines. We would prefer not to do that, Sir, and I would think that it will not be necessary for us to do so. But when the Gander Development Corporation is established and set up with the proper facilities at the airport, we feel that their presence, their very presence there, will force a more competitive situation.

The main outside competitor for Gander, as we know, is Bangor, Maine. This airport which comprises all of the facilities of the phased-out Dow Airforce Base has instituted a very aggressive marketing plan and has succeeded in attracting many charter lines to their airport. It is relatively removed, far removed from the main air routes,Sir, in relation to or compared to Gander and it is a far more congested air space. We have been told by airlines, by charter lines as well as regular scheduled lines,that the flight patterns, the landing patterns and the glide patterns into Bangor cost them a great deal more money than it would cost them at Gander. They can get to their most economical cruising level much more quickly in leaving Gander than they can from Bangor. But,nevertheless, the price at Bangor,with the help of a subsidy from the United States Government,has been enough to offset these two other factors which I have mentioned. Now we feel that in order for Gander to survive in the market, the Government of Newfoundland has no alternaitve but to set up this Gander Development Corporation.

We have been actively aided and we have had a great deal of co-operation from the Ministry of Transport in this reagrd. We have had many meetings with representatives of the Ministry during the past year both at the official level and at the elected level.

Premier Moores and myself met with Mr. Marchand some months ago and went over the whole problem with him, outlined what we thought would be some possible solutions. He agreed with us and from that conversation entered into the creation of the Development Corporation. From the beginning we hope to have it staffed or at least headed by three senior civil servants, one from the Ministry of Transport and two from the Provincial Government.

Now these people will do the necessary probing, the necessary investigations and necessary research. They will look into the pricing with the help of the Energy Board and they will see exactly and make recommendations to government as to which directions the Development Corporation should take in terms of corporate structure, and which areas it should follow in trying to attract, after the jet fuel problem is resolved, industry to the area.

It was our hope to,in time,do the same sort of thing at Gander that has been done very successfully at Shannon; to have small assembly plants there, to have components put together in a duty free zone for transshipment to the United States and to Central Canada. And the people in Ottawa assure us that this is not only possible, but that they will give us every co-operation in making it happen. We have had a great deal of co-operation also, I must say, with the TOPS marketing team at Gander who have done a great deal to date to try to resolve the difficulties out there but have been hampered by the conditions which I have described in these few comments.

We are going to ask the Corporation to negotiate on behalf of the Province with appropriate federal agencies and departments,the oil companies and any other interested parties, and if necessary we will make it possible for them to acquire facilities at Gander to do that which has to be done there, both in terms of jet fuel storage and pumping facilities and whatever else has to done. As I say, the facilities are already there and they are being

operated by two companies. Hopefully the Development Corporation will supply the necessary incentive and the necessary competitive edge to help the airport get the price structure that it needs to survive.

I would be most happy, Sir, to answer any questions that may be raised. In the meantime, I take great pleasure in moving second reading of this bill. It is one, I think, that is in the very best interest of Gander. I do not think it has the answers to the problems here contained in the bill, but it does have a formula or a system or a vehicle which I hope will resolve or help us to resolve the difficulties that are out there. Thank you, Sir.

MR. SPEAKER: The honourable the Minister of Forestry and Agriculture.

MR. COLLINS: Mr. Speaker, it gives me a lot of pleasure to have the opportunity to speak on this particular bill which has been so ably introduced by my colleague, the Minister of Industrial Development. I would like, before I get into my few remarks, to extend all our thanks to him for the tremendous amount of work which he has been doing personally, and the people in his department, people in the Department of Transportation and Communications, and others, but particularly the Department of Industrial Development.

Now, Mr. Speaker, with regard to this bill, I do not want to be too long, but I think it would be appropriate if I went back a few years and talked about the way things used to be in Gander in terms of planes coming in. I moved into Gander from here in St. John's in 1957 and I can recall coming back every other Friday night, in other words, every second Friday night. My family were still here at the time. I recall quite vividly at around eleven o'clock in the night going out to get the T.C.A. flight coming in - the fare, incidentally, then was $7 - to get the T.C.A. flight. And around that time of night it was very difficult to find a plane because there were literally dozens and dozens and dozens of planes on the tarmac. All the planes of that time were of the piston type, a lot of them were of the North Star variety which T.C.A. were

operating. Some were of the DC-6 and DC-7 varieties, which also are piston type planes, and it was a sight to behold. There was a lot of activity, of course, generated by that. All of the major airlines had offices in the old terminal: Pan Am , KLM, Lufthansa, Belgium Airlines, Swissair, you name them. BOAC - they were all there - TWA and Pan Am.

About two years after that in 1958, after the development of the first jets - the first jet, as I recall it was the, not the first jet but the first jet to have gone into international service, international flights, was the 707 - and that seemed to revolutionize everything that was taking place in terms of transatlantic flights and certainly revolutionized what was taking place around Gander. Because very soon it was established by the airlines that those planes could fly from Shannon to Boston to New York - not much past that - but they could fly from the other side to this side and vice versa without landing, without always landing at Gander.

If they left New York with a complete load of passengers they were forced to land for fuel. And conversely, if they left London or Frankfurt coming over here with a full load of passengers they were required to land at Gander again for fuel. But gradually as the technology improved and better and larger planes were developed we soon found that the airlines could indeed operate from Frankfurt to New York without landing most of the time. And shortly after that we found that Pan American and T.W.A. and all the other people who maintained offices and staff at the airport moved out. And consequently, of course, there was a number of jobs lost, and I might say, a fair amount of concern on the part of the residents of the town because a lot of people were talking gloom and doom. A lot of us did not, but it was a battle to keep things going.

The unfortunate thing about that is that that was about the same time when the real effort was being made to build the new townsite. Prior to that most of the people who lived in Gander lived

in the renovated army buildings, the apartment buildings and a a lot of them lived at Saturn. Well,not many Gander people lived at Saturn. The jet setters lived at Saturn. But the town started then. I know I had the second house which was constructed on Metcalfe Street, and I will never forget that because it was really pioneering. But the town started to take shape and of course we all know that today we have a community which is now approaching a population of 12,000 people.

And believe it or not, even with all the downfalls which I have just mentioned, still the main reason for the existence of the town is the activity on the airport. There have been a great number of changes taking place, of course, because of Eastern Provincial Airways which was a very small airline at that time. I remember in 1957 and 1958, every time we saw a crow fly across the runway someone would say, there goes E.P.A. again. They did not have too much in terms of airplanes, a small bush line, but today we are proud of them because they do have a fleet of first class jets, 737 jets. I think it is seven planes they have now,with one or two more ordered and they will be coming on pretty soon. Those people, of course, have taken up the slack in terms of employment and certainly they have done a tremendous job in terms of supplying services to the travelling public in Newfoundland and the Atlantic Provinces and on to Montreal.

Well, Mr. Speaker, the problem of getting planes to come back into Gander, that is the problem that this government is trying to tackle. We have been wrestling with it this past couple of years,as my colleague just said, and in order for us to get planes coming in we have to get the planes coming back there. They are not going to land to have a look at my grey hair or look at some of the nice blue eyes of some of the young people out around there. There has to be a reason, a better reason than that for them to come in. One of the better reasons as we see it now is if we can bring about the proper conditions whereby fuel can be obtained at reasonable prices, competitive prices, lower than at

the American airports. If we can, if we can do that we are sure that the planes will return to Gander. Because every year as fuel prices continue to increase, every year, I think, things are looking better for us out there for the simple reason that as the price of fuel increases, and that being the major input cost of the airlines today, the chances of them coming to Gander if they can get fuel at a reasonable price, the chances of them coming in are increasing and we are optimistic about it.

The Minister of Industrial Development referred to the TOPS programme. About three years ago the Federal Department of Transport - now the Ministry of Transport - D.O.T. were aware of the problem. They have a tremendous investment in the airport, of course, and they want to try and protect it. They formed the TOPS organization which is a marketing orientated group and they have done a fair amount of work. They have made some optimistic statements over the years but not many of them have really come true. But still they have done their job, they have tried hard, they have got some of the major charter flights to come to Gander but, as I said before, if we are going to encourage, if we are going to attract the major lines, the ones which really make the contribution in terms of landings and, of course, cash, if we are going to attract those we are going to have to make it economically beneficial for them to land at that airport, and that is the name of the game with this particular Corporation.

I think it is only fair, Mr. Speaker, to say too that I do not want to sound too parochial about it but I am sure that honourable members opposite and members on this side will realize that we are not only talking about Gander when we talk about the airport, we are talking about the whole East - Central Newfoundland region. And one of the reasons for Gander's growth, the tremendous growth which has taken place over the past couple of years is by virtue of the fact that it is a service centre for Bonavista Bay certainly for the two Bonavista districts, to some extent - Fogo district, Lewisporte district, Twillingate district. We - when I say we - Gander provides a lot of services to the people of the region in terms

of the regional hospital, the District Vocational School, all of the larger businesses which provide services in terms of selling cars and repairing cars, the airport itself. So there is a lot of community of interest between Gander and the areas which I just mentioned.

And not only will this particular bill, please goodness, bring about the conditions which are necessary to promote the good of Gander, but it will also mean that the whole region will benefit from it. I am optimistic, Mr. Speaker, that this bill will do what we have been trying to do. As my colleague has said, there has been a lot of consultation with the federal people who are directly responsible, the Ministry of Transport. There has been a tremendous amount of dialogue with the National Energy Board and the Federal Department of Energy. There have been numerous meetings with the various airlines. We have gone down more roads than one would want to remember, always hoping that at the end somewhere we would find an answer but the answer always evaded us. But, Sir, this Corporation, by making it possible for the proper people to get involved in this, and I know that the minister is thinking in terms of local people becoming involved as we move along, I am optimistic that this is possibly the greatest thing that has ever happened in Gander apart from the formation of the town, in the first place, and the establishment of the Local Improvement District and eventually on to a town council.

I am sure the people in Gander are anxiously awaiting the passage of the bill here. I am awaiting the formulation of the structure of the Crown Corporation and just as soon as those people can get down to work the better it is for all of us. I think, as I said before, that this is the answer we have been looking for. And it is unlimited what can really happen here because everything relates to fuel. If we can get the fuel at reasonable prices, we get the airplanes coming back, If that happens, and I am sure it will, then the industrial development type of activity which my colleague referred to, I think, will follow. It gives me great pleasure,

Sir, to support this bill.

MR. SPEAKER: The honourable the Member for Fogo.

CAPT. WINSOR: Mr. Speaker, I do not think we on this side of the House have any objections to this bill. We would like, when the minister is replying, to get more information on just how the Corporation is going to be set up, who is going to be involved, the actual working of the Corporation. Now there is no doubt in anyone's mind that if Gander is going to retain the position is once held, then she surely has got to be in a competitive field, especially in jet fuel.

We are all aware today that there are long-range aircraft now flying the transatlantic route, and they no longer have to touch down at Gander for refueling, if they so desire to go to Bagor or any other airport where they can obtain cheaper fuel. Then there is another very important

factor, and that is the turnaround. Companies today want to see the aircraft on the ground as little as possible. You know, they make no money while that aircraft is sitting at the airport, and if they cannot get the service to get that fuel in as fast as they can get it, and get that quick turnaround then the jet fuel will not be the only contributing factor whether Gander is going to retain or improve its position.

Personally I do not think - I think there has been a falling down, and whether this blame can be placed with M.O.T. or D.O.T., or whatever it is classified as now, and our provincial government. I do not think we have done as good a selling job as can be done or could be done with the selling of the facilities that there are at Gander.

Certainly, Mr. Speaker, I agree with the Hon. Minister for Agriculture when he says Gander is not now affecting only the lives of the people that are living at Gander. It involves quite a number of people in Bonavista Bay, Fogo District, Lewisporte and all around. It is the centre. Gander has become a very important town in the centre of Newfoundland. And everything should be done to encourage and try to knock out the competition if we can to encourage those huge aircraft - and they are getting bigger almost everyday and consumming more fuel. This is the sort of thing that I would like to see. I would like to see the provincial government launch a good campaign selling job on the facilities that we have at Gander. Usually the weather conditions are fairly good there. It is certainly much better than we have at Torbay at most times.

However there is a selling job to be done there. And if we do not do it, whether the provincial government undertakes to do it or whether M.O.T., as the minister said, they too have a very great invested amount in that airport, and I am sure that they would want to see as much business attracted to that area as possible.

The Corporation, Mr. Speaker, we do not know, you know, how that Corporation is going to function. Who is going to be engaged in the actual operating of that? Is it going to come under the provincial government? Are we going to have a head office there

at Gander? Or is it going to be done through the minister's office here at St. John's? I would say it should be. The office for this Corporation should be located at the spot at Gander.

MR. DOODY: It is all in the bill.

CAPT. WINSOR: It is all in the bill. I have not had a chance to read the bill, but I am just giving those few notes or comments. But certainly we have no objection, unless one of my other colleagues has, and I have not heard any rumbling that there is any objection to this bill.

So for the sake of Gander and for the sake of people in that area, I think, and the minister is to be congratulated, and I think it is a very good step forward.

MR. NEARY: Hear! Hear!

MR. SPEAKER: The Hon. Member for Hermitage.

MR. SIMMONS: Mr. Speaker, just a few words before the minister closes the debate. Certainly I would like to endorse the comments of my colleague from Fogo in saying that we welcome the legislation. I had an opportunity just to peruse the Bill, but apart from that, of course, we have been aware for sometime that such a Bill was going to be introduced, without getting into details of the legislation, the purposes of the Bill are well set forth in the explanatory notes, and I believe we have been well aware of them for some time, mainly to promote the industrial development of the Gander area and the expansion of the airport facilities there.

I am a Central Newfoundland person myself, having spent my time in either Lewisporte or Bishops Falls or Green Bay, And, of course, latterly as the Member for a district whose people depend fairly heavily on Gander airport, I can speak from a pretty informed advantage point in terms of the importance of Gander to that whole area, my district itself - the South Coast part - or that part of the South Coast which is involved in my district the Central Newfoundland area generally, Green Bay area, Notre Dame Bay and so on, depend very heavily on this airport. I suppose

if one looks back to the origins of this airport it could be termed perhaps a happy accident of history that the airport was located there . One wonders what would have been the case had it not been for the requirements of wartime, the particular requirements that brought about the growth of the airport. One wonders whether Central Newfoundland would be so well served in terms of airport facilities as it is today. As I say, it is perhaps a rather happy accident of history that we find such a well equipped facility as we do have.

I am delighted that the bill now seeks to take advantage, full advantage of these facilities and capitalize on whatever industrial development opportunities may be available as a result of those facilities. So it goes without saying, Mr. Speaker, that I want to heartily endorse the legislation before us. I think I would be remiss if I did not refer to the possibilities for the success of this Corporation. I have no crystal ball, I can only draw parallels, I can only look at similar legislation or similar efforts on the part of government to do this kind of thing in other parts of the Province. The vehicles have been a little different, perhaps the details of the legislation or the enabling legislation have been different but there are a number of examples in the records, Mr. Speaker, where this government has announced its intentions to do something to give industrial growth a shot in the arm. And while the bill is certainly laudable and certainly holds out a lot of promise, while the vehicle holds out a lot of promise, the driver of that vehicle, the government, has had not a particularly good track record when it does come to doing this kind of thing. And, of course, I am referring to a number of, as I say, similar agencies or attempts, And the argument I am sure will be made in rebuttal that there has never been one quite like this. Well, be that as it may, but if you will buy the premise that they are all concerned with the same end result, mainly to encourage, to foster industrial growth, then perhaps you will see that the others that I am going to mention fall into the same general category.

The first one I want to mention does, and that is the Labrador Resource Development Corporation. Well, on that one we have not had a lot of time yet and so we can wait and see, although we have been waiting for a long time so far and not seeing too much. And the people of Labrador in particular, I understand, are quite disillusioned by the lack of initiative that has been taken by government to do something about setting up the Resource Development Corporation for Labrador. Perhaps the minister who will close the debate and who is also involved, I believe, in this other matter might care to give us an indication of what is happening with the Labrador Resource Corporation. It is another one of those ideas that was held forth and supported with the enabling legislation, was brought forth in all kinds of fanfare and said, Here is what we are going to do. Here is another example. I am sure the hopes will go up in Gander tonight as they have before with the promise that is contained in this particular legislation.

The legislation itself, of course, Mr. Speaker, is not going to do much if it goes the way that the Labrador Resource Development Corporation appears to be going.

MR. BRETT: Did you say the Labrador Resource Development Corporation?

MR. SIMMONS: Yes.

MR. BRETT: The legislation is through.

MR. SIMMONS: I do not know if it is through, It is before us somewhere. Notice has been given and the intent is there and there is one hundred bucks in the budget, so the minister must have some great plans for it. There is a full $100 in the budget for it this year. I presume I am using the right terminology, the Labrador Resource Development Corporation.

MR. BRETT: Coastal Labrador, you mean.

MR. SIMMONS: Yes.

MR. BRETT: For development?

MR. SIMMONS: Exactly. And there is one hundred bucks in the budget for it which does not -

MR. PECKFORD: That does not prove anything. That is only $100.

MR. SIMMONS: Mr. Speaker -

MR. PECKFORD: That money cannot be allotted for that until it is passed by the House and everything.

MR. SIMMONS: Ah ha! Ah ha! Exactly! Exactly!

CAPT. WINSOR: A token vote.

MR. SIMMONS: Exactly.

MR. PECKFORD: That vote just opens the heading.

MR. SIMMONS: We are aware, Mr. Speaker, it is a token vote. It also indicates one other thing apart from the fact that somebody just blocked it off -

MR. HICKMAN: I cannot get my court on that token vote.

MR. BRETT: You cannot. You cannot.

MR. SIMMONS: I think we are all aware of this, Mr. Speaker. The Minister of Municipal Affairs is not saying anything particularly new here. The overall point remains, of course, and that is that there is not

much happening in terms of the Labrador Resource Development Corporation, and I am saying that I hope -

MR. MORGAN: What has this got to do with Gander?

MR. SIMMONS: And the member for Bonavista South mutters what has this got to do with Gander. Well, I am saying that if it goes the same way, if this Development Corporation does not get off the ground any faster than the one involving Labrador, I would advise the member for Gander not to wait up nights for things to happen, because they are going to be a while happening. Of course, there are other examples, too, Mr. Speaker. There is the situation in Bay D'Espoir and the great promise that was held forth back in the Fall of 1973.

MR. MURPHY: Mr. Speaker, are we -

MR. SPEAKER: Order, please!

MR. MURPHY: - all parts of the Province -

MR. SIMMONS: Maybe.

MR. MURPHY: - on a guided tour. This bill applies to Gander.

MR. SPEAKER: Order, please!

The Chair has not quite decided yet whether the principle of this bill extends to the scope that the Hon. Member for Hermitage now seems to be a party on, namely the discussion of several other development corporations throughout the Province. As I said the Chair is having thoughts about it and it will perhaps have to make a ruling very shortly.

MR. SIMMONS: Mr. Speaker, I submit that the points I am making are very relevant. I am talking about the government's track record insofar as activities such as the present one is concerned, activities such as the Gander Development Corporation is concerned. And I say, Mr. Speaker, that if I am not able to address myself to that question, well, then we cannot discuss the legislation because the whole import of this legislation depends on what action follows the implementation of the legislation. That is the whole message. Either we are going to have just another piece of dead legislation that is

going to mean nothing, or we are going to have some industrial growth in Gander as a result of the implementation of legislation and some action to follow. And I am saying, Mr. Speaker, the first step, and only the first step is what we are doing here today, implementing or providing for the enabling legislation. And I say the crux of the matter, Mr. Speaker, is whether anything is done about that legislation subsequently. And I am saying, Mr. Speaker, that insofar as parallel situations are concerned we can only assume that very little will happen. I find that a matter of some regret. And I am hoping that as a result of drawing some examples I would be indicted, and rightly so, if I stood here and made flat statements without attempting to document them or support them. The member for St. John's Centre would be the first to take me upon that so I am attempting to document them. Now if he wants to frustrate my effort and does not want to hear it - I can agree, Mr. Speaker, it is not the happiest thing for his ears. I could see where he would not want to hear it. But perhaps he is going to have to.

Mr. Speaker, insofar as another development is concerned, we were told a couple of years ago that great things were going to happen, and then, of course, when the report came forward on the Bay D'Espoir development opportunities the government sat on it for twelve or fourteen months and did nothing further about it. Now my question, Mr. Speaker; Is this what is going to happen on this piece of legislation? There will be another bit of flag waving, there will be another bit of platform material for the present member for Gander, there will be another bit of flag waving for him that will mean nothing. Will it be just much ado about nothing, legislation and nothing else? I say that the record is full of that kind of going on, Mr. Speaker, and I would hope that this would be an exception. I would hope that this one would be an exception to the abysmally bad track record of this government insofar as giving any leadership at all to industrial growth in any part of this Province is concerned, be it Bay D'Espoir, be it Labrador, be it Harmon.

Even that corporation, Mr. Speaker, has been hamstrung. Now they have appointed a chairman who manages to get to a meeting once in a while. The last time he was there he flew in at 11:20 A.M. and he left again at 1:30 P.M. and during that two hour period, besides getting dinner and getting off the plane and on the plane he actually had a meeting of the corporation. Now is that the kind of thing that is going to happen with the Gander Development Corporation? Are they going to hamstring it to the point that it will not be able to do anything in terms of promoting industrial growth even if it wants to. Is it going to go the way of the Harmon Corporation? Mr. Speaker will know all about that one. Is that what is going to happen to it? If so, let us stop wasting our time. Let us throw it out now without even passing it. Let us call a spade a spade, and let us tell the Member from Gander to go back and tell these people -

MR. MURPHY: Vote against it.

MR. SIMMONS: No, Mr. Speaker, I do not intend to vote against it. I intend first of all, Mr. Speaker, to vote for it, and I made that clear at the beginning of my comments, and I intend to see also -

MR. MURPHY: Watch him squirm!

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

MR. SIMMONS: - I intend also, Mr. Speaker, to see to it -

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

MR. SIMMONS: - I intend also, Mr. Speaker, to see to it that I do everything within my power to see that the intent of the legislation is carried out but I do not have much hope that it will be under the present administration unless things are quite different than they have been with respect to Harmon or Bay D'Espoir or Labrador or a number of other areas that I could mention here. The problem with this government, Mr. Speaker, I think will be shown again - I hope it will not - but I think the main problem of this government will show through again insofar as this legislation is concerned. They have no follow through. They are great on writing legislation. They are great on coming up with ideas but when it comes to putting these ideas into

practical terms, when it comes to getting out there in Gander and taking the initiatives on a day to day basis, the initiatives required to meet the intent of this legislation, to give the leadership to industrial growth in the Gander area and the larger areas served by the airport, when it comes to getting out there and on a day to day basis doing things which will provide for the development and the expansion of the airport facilities, that is where they lack the follow-through, Mr. Speaker. And that is why I say I can heartily vote for the legislation but I would be very remiss if I did not point out that I have some pretty serious reservations about whether this legislation will ever get beyond the legislation stage.

I have some very serious reservations that this Gander Development Corporation will ever produce anything of any benefit to the people of the general area covered by Gander, not because I have anything against the structure as provided for in the bill, not because I have anything against the people who may be appointed to that Corporation, for none of these reasons, Mr. Speaker. But finally this is going to be another creature of the government and in that context, Mr. Speaker, the Gander Development Corporation will only be as good as the leadership provided by government insofar as encouraging industrial development is concerned. And I say again, if the record to date is any indication, the record in Bay D'Espoir, in Harmon and in Labardor just to recall the three that I have mentioned by way of examples, if the record there is to be taken at face value, then I fear for the success of this Gander Development Corporation.

I sincerely hope, Mr. Speaker, I am wrong. In the meantime I am very happy to be able to endorse without any reservation the intent of the legislation.

MR. SPEAKER (Stagg): The Minister of Social Services.

MR. MURPHY: Mr. Speaker, I did not intend to speak, but the rush of enthusiasm displayed by the Member for Hermitage, I am sure, dragged me to my feet to support this bill. There was only one statement that I found any credibility in in what the honourable

gentleman said and that was the need to give him scope. I would like to give him about five gallons, to be quite frank, to clear the things that emit from his throat. But I am very pleased indeed -

MR. SIMMONS: Point of order. Point of order, Mr. Speaker. On a point of order, Mr. Speaker, I suggest that the personal abuse that the minister is heaping on me has nothing to do with the bill whatsoever and I suggest he be asked to be relevant to the bill, or else sit down and let somebody else talk about it.

MR. DOODY: Take back the Scope, "Ank."

MR. MURPHY: Yes, and shower him with it.

I am very pleased indeed, Sir, to see the positive action taken by the Minister of Industrial Development, Sir, to create this -

MR. SIMMONS: Can I have a ruling or not?

MR. MURPHY: Will you get out and co-ordinate like a good fellow and do the world a favour?

MR. SIMMONS: Jealously will get you nowhere "Ank", boy.

MR. SPEAKER (Stagg) Order, please! Order, please! Just so that both honourable members know where they stand, or sit, or whatever, the introductory remarks by the Minister of Social Services were somewhat provocative and probably should not have been made. However there is plenty of room for leeway in debate, and honourable members can disagree and they can be uncomplimentray. I do not think his remarks were unparliamentary. In the meantime, while he has the floor and has the right to have the floor, he has the right to be heard in silence. I am sure all honourable members realize that.

MR. MURPHY: I want to assure the Chair, Sir, I did not mean to be unparliamentary, neither did I mean to be complimentary. But in supporting this bill, Sir, I would like to again, as the Member for Gander, the honourable the Minister of Forestry and Agriculture did, pay tribute to the work put into it by the Minister of Industrial Development. And to those of us who knew Gander many years ago, it

sort of brings back a bit of nostalgia, where you could sit in that terminal any hour of the night,particularly, and see the world pass in review before you.

So if this bill, and I think it will go a long way toward accomplishing that, will do so I am very,very happy indeed to support it as I know every member of this House is without reservation. It is something that is badly needed. As to the intent and the honesty of the bill, Sir, I am sure that the Minister of Industrial Development did not spend all the time he did to create a job for some Tory hack,as is perhaps being implied, and that it will be a creature of the government. Well I think this government has as much right to create creatures as any other government in the world. I would not like for this government to legislate something that would be a creature of the Opposition. I think that would be almost a reversal of the parliamentary form of government.

But, Sir, I can only say this: that Gander in itself today, Sir, is the hub of all that area. It is not only the Town of Gander, but all that area of Fogo, Twillingate, as far as Lewisporte right down through, Sir. And I can only say to the honourable minister and to the Member for Gander, that we hope that this will be established and will bring back some of the business that Gander enjoyed so many years ago.

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

The honourable the Minister of Industrial Development.

MR. DOODY: Mr. Speaker, I,like the Member for St. John's Centre hope that this solves or helps to solve the problems of Gander, the Gander Airport and the Gander area. As I inidcated in the introduction, I did not pretend, I did not say that this was the formula, that this was the solution to all the problems. I said that this is a vehicle through which, hopefully, the problems can be sorted out and cured.

The honourable the Member for Fogo raised a couple of interesting questions,in his usual calm and moderate and sensible

way. He is absolutely correct when he says that a selling job has to be done. It is a selling job, really, that the TOPS people have tried to do on their own for the past while and they have had some success. They have managed to lure some charter flights into Gander and they have done quite a job with that, but it is becoming more difficult for the reasons which I outlined.

We have felt for sometime, really, that M.O.T. should have to accept more responsibility for the airport and for its well-being because it is really their responsibility and there is no escaping that. The difficulty with this is, of course, that that is small consolation to the people in the Gander area if we tell them that it is really not the Provincial Government's job it is the job of the Federal Government,and nothing gets done. What we have succeeded in doing is interesting the Federal Government in joining in this Corporation, and co-operating with us in the formation and eventually the operation of the Development Corporation, and we have taken it on ourselves to accept the responsibility for the selling job that has to be done in that area.

The charter flight business is a good business. It has fallen off recently, during the past months because of the recession, because of the costs and because of the shortage of money to be spent on vacations and on charter flights. One of the big advantages that Gander has in that business is that if the prices are competitive and the service is good- and we have no reason to believe that the service will be anything but good, The Gander people have the experience, they have the know-how and the knowledge. They certainly have the drive and the initiative, and they certainly have the desire to make it work, Sowe are sure that the service out there can be as good as any other and certainly better than some - we believe that the advantages then that will accrue to the charter flights in being able to carry bigger payloads, because they will be able to carry less fuel. By refueling and topping on at Gander

they will be able to carry that many more passengers. And this we have been told will be a big selling point in attracting them to Gander providing we can give them the prices that they need on fuel.

Now, the operation of the Corporation, as I indicated, will be initially in the hands of two provincial and one federal Civil Servants, who will investigate and look into and recommend what they feel will be the proper vehicle and the proper structure for the ultimate form of the Corporation. We would hope that as it goes down the line and becomes the Corporation that we hope it will be, that people with expertise from the Gander area will take control of the Corporation and will operate it in the interests of Gander and of the people of Gander. There is certainly a wealth of talent and a wealth of knowledge and a wealth of experience in the Gander Airport region in the airlines business and I think that we have to take advantage of that talent and use it to the best advantage possible.

The structure of the Corporation as originally envisaged is set forth in the bill, and I think there is no need to go into that in detail now. It can be looked at. It is a pretty straightforward Crown Corporation. It is required to present its annual report through the minister to the Legislature within fifteen days after a session of the House of Assembly opens. We have a budget to present, to receive from them every year and so on. As to its being a creature of government, it undoubtedly is. I cannot imagine, as the honourable the Minister of Social Services indicated, who else's creature it could possibly be since it is the creation of this government and this government is very proud of its creation.

The responsibility, as I have said, to keep the airport alive is M.O.T's and they recognize that responsibility. They will have to keep the airport itself alive anyway. It is a commitment of Canada's to have that life station, that rescue station on the international air routes, out on the Atlantic Ocean and they have to keep it there. They have agreed with our reasoning that it is better

to keep it there as a viable and profitable entity, self-sufficient and capable of supporting the town and the area as it has in the past and hopefully will do so more in the future. Whether it will succeed in all the hopes and ambitions and dreams that we have for it remains to be seen. If it does not it will not be because of our lack of interest, of our lack of push or the lack of push and interest of the people associated with it.

The negative attitude expressed by the honourable the Member for Hermitage is a bit distressing and a bit disappointing. I am sorry to hear him be so pessimistic about it all. I suppose there is really nothing you can do about a state of mind like that except sympathize with it. To hear him talk about the lack of action on the Labrador Coastal Corporation was rather interesting. He says that nothing has been done on that. The bill is before the House for second reading. Draft copies have been distributed to the Native Peoples' Association, to the Innuit Association and to each Community Council on the Coast of Labrador and to those people in the area whom we thought might have an interest in it. We have asked each of these people to give us their ideas and their impressions and their input and their suggestions, because,as we have indicated to them, and indeed it should be obvious to everybody, it is their area of the Province and it is their future and it is their well-being that is at stake. And we have asked them to comment and make suggestions on the legislation before it goes before the House.

We got a request from the Native Association recently asking us to delay implementation of the bill until at least September because they wish to have more time to study it and to make suggestions. They see it as a very important piece of legislation relative to their well-being and their future. They seem to be very enthusiastic about the fact that at long last the government has taken an interest in their advancement and in their social and economic well-being, and are setting up a vehicle for that purpose. But they feel that they would be better served if the

thing were looked at more closely by them and they have asked us, then, to hold off until September.

We have not agreed to this as yet, although on the other hand we have not refused to do so. We are waiting to get replies from the other communities involved. We have heard from many of them. Most of the other communities have asked us to use our own discretion in the area. The letters that come in from them have been most complimentary and have been most encouraging. So I may say with a great deal of assurance and some pride that the people on the Coast of Labrador do not share the pessimism and the despair of our friend from Bay D' Espoir.

To get back to Gander - I was going to mention the Bay D'Espoir report and so on but we went into that to some length during the estimates and that was also very disappointing.

I do not think that I will delay the House much longer, Sir. I think that I have answered most of the questions that have been asked. As I said, it is our hope that this will provide the vehicle for the economic well-being of Gander for a great many years to come. Not only for the Town of Gander and the airport but for the surrounding communities. We think that it is a big step forward. Ottawa has agreed with us in this. We are willing to provide all the assistance and knowledge and financing and whatever else is necessary to make it work, and we think, Sir, that we have here,

to a large extent, the answers to the problems of the Gander Airport.

On motion second reading of a bill, "An Act Respecting The Gander Development Corporation," read a second time, ordered referred to a Committee of the Whole House presently by leave.

MR. HICKMAN: Mr. Speaker, with permission of the House I would like to revert to notices of motion. I have a notice of a bill.

MR. SPEAKER (Stagg): Do we have consent? Carried.

The Minister of Justice.

MR. HICKMAN: Mr. Speaker, I give notice that I will today ask leave to introduce a bill, "An Act To Amend The Conveyancing Act." Again, Mr. Speaker, with the consent of the House I would ask that this bill be read a first time.

MR. SPEAKER (Stagg): Does the honourable minister have consent to have this bill read a first time? Carried. It is moved and seconded that the honourable minister shall have leave to introduce a bill entitled, "An Act To Amend The Conveyancing Act." Is it the pleasure of the House that the honourable minister shall have leave to introduce the bill? Those in favour "aye", those against "nay", carried.

On motion of the Hon. Minister of Justice, a bill, "An Act To Amend The Conveyancing Act," read a first time, ordered read a second time on tomorrow.

MR. COLLINS: Mr. Speaker, I do not know if I need the leave of the House or not. I wanted to make a statement concerning the lifting of the ban on forest fires.

MR. SPEAKER (Stagg): Does the minister have leave to make a statement? Carried.

The honourable the Minister of Forestry and Agriculture.

MR. COLLINS: We have checked out a situation in Central Newfoundland this afternoon, Mr. Speaker, and we find that the conditions have improved tremendously with the rainfall last night and some rain today. Consequently we are now lifting the forest travel

restriction, lifting it immediately but with the warning that if conditions should become hot again and the need might arise, we have to re-impose this. So, I am appealing to the people to be extremely careful.

MR. SPEAKER (Stagg): The Member for Fogo.

CAPT. WINSOR: Mr. Speaker, we are very pleased that the honourable minister finds himself in that sort of position today where he can come into this House and declare the lifting of that regulation. I am sure the people who are looking forward to the long weekend will certainly appreciate it. Now they can go back to the woods. But, Mr. Speaker, one question before - does this mean that they can boil up out in the open now? Does it mean that they can light fires out in the open? Because there is some confusion about that.

MR. COLLINS: No, Mr. Speaker, that is another order. It is not permiasable to light fires. It is permissable to light fires provided you are within a given distance of the water, etc. That order has been in existence for this past month. But the forest travel ban is the one I am talking about where people were not permitted to frequent areas like wooded country.

CAPT. WINSOR: That is well worth repeating because some people might think because you have got this -

MR. COLLINS: I am sure the press understands that.

MR. SPEAKER (Stagg): The honourable the Premier.

PREMIER MOORES: Mr. Speaker, by leave as well, I would like to also say something on the same subject,if I may have the leave of the House.

MR. SPEAKER (Stagg): Does the honourable the Premier have leave?

PREMIER MOORES: Thank you, Mr. Speaker. I would like to go on record, and I am sure I speak for all members on both sides of the House when I would actually move, I suppose, the thanks of this legislature to the Province of Quebec who sent down four water bombers on very short notice and very expeditiously. They have

performed magnificently at a very difficult time. As I say, when the Minister of Forestry and Agriculture contacted his colleague, his counterpart in Quebec, there was no hesitation whatsoever before this planes came down. I certainly would like to move that this House go on record as thanking the Government of Quebec for their very kind assistance.

MR. SPEAKER (Stagg): The Member from Fogo.

CAPT. WINSOR: Mr. Speaker, here again we certainly agree with the honourable the Premier. All of Newfoundland appreciate the fact that Quebec responded so swiftly in sending down water bombers. It could probably change the attitude of many people towards the Province of Quebec which

many of us find not too bad and especially when we find a helping hand is ready to help with what could have been a very bad situation in Central Newfoundland. So, Mr. Speaker, we are very happy to confirm and we think a note of appreciation or a letter of appreciation should be sent to the Government of Quebec.

MR. SPEAKER (STAGG): Is it the pleasure of the House to adopt the motion? Those in favour "aye", those against "nay", carried unanimously.

MR. HICKMAN: Order 14.

Motion second reading of a bill, "An Act To Amend The Constabulary Act." (Bill No. 53)

MR. SPEAKER (STAGG): The honourable Minister of Justice.

MR. HICKMAN: Mr. Speaker, the explanatory note sets forth very clearly what this bill is all about. It is simply to enable the Police Brotherhood to affiliate with the Canadian Labour Congress and the Newfoundland and Labrador Federation of Labour. The Police Brotherhood, which is not a trade union, asked that this amendment be brought in so that they can avail of the research facilities,particularly of the Canadian Labour Congress, I move second reading.

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

MR. HICKMAN: Order 33, Bill no. 83.

Motion second reading of a bill, "An Act Further To Amend The Stamp Act."

MR. SPEAKER: The honourable Minister of Justice.

MR. HICKMAN: Mr. Speaker, the present situation is that documents, writs, etc., issued out of the Supreme Court have to have a stamp and this creates some administrative problems. An employee in the registry has to buy the stamps in here and then get a float and sell them to solicitors whenever they are required for the issuance of process out of the Supreme Court.

It is now proposed that a cash register will be installed that has the effect of stamping the process when it is being issued and in

order to do that The Stamp Act has to be amended, so I move second reading.

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

MR. HICKMAN: Order 21, Bill no. 72.

Motion second reading of a bill, "An Act To Amend The Newfoundland Engineering Profession Act."

MR. SPEAKER: The honourable Minister of Justice.

MR. HICKMAN: Mr. Speaker, this bill is being brought in at the request of the engineering profession and is designed, if I may use the words from their solicitor, Mr. John W. Mahoney, a great Tory, to tidy up certain language within the bill and to conform where possible to the national practice within the profession, to further protect the public interest, expand and redefine certain section to more clearly convey the intent of the old act and conform more realistically to present practice engaged in by the association and clarify the deletion of membership as it applies to Quebec residents who are practising on a full-time basis in Labrador. I move second reading.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: Mr. Speaker, again on this side we have no objection to this beyond my colleague's professional engineering ability to say whether this is a good bill or not, but we take the honourable Minister of Justice's word for it. This is the request of the professional engineers and we therefore agree.

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

MR. HICKMAN: Order 15, Bill no. 54.

Motion second reading of a bill, "An Act Further To Amend The Registration Of Deeds Act."

MR. SPEAKER: The honourable Minister of Justice.

MR. HICKMAN: Mr. Speaker, this bill provides for a very modest increase in fees in registration fees. It increases the minimum registration fee on a document from $2.50 to $5.00. This is the first increase since 1875. It is felt that the present minimum fee of $2.50 does not come close to covering the cost of the salaries or the time that is used or involved in doing the work. The search fees are increased from fifty cents to one dollar, and the maximum registration fee from $1,000 to $1,500.

I think it can be safely said that inflationary tendancies since the year 1875 - that is a hundred years ago - would warrant this very modest increase. I move second reading.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: Mr. Speaker, when the honourable Minister of Justice says it is 100 years ago since there has been any increase in the fees of registration of deeds, I wonder what he has been doing all those years?

MR. HICKMAN: I do not know.

CAPT. WINSOR: I am sure the public will not object to that percentage of increase over that period of time. I do not think we will see any public outcry about this legislation.

On motion a bill, "An Act Further To Amend The Registration Of Deeds 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 Fire Prevention Act." (Bill No. 68)

MR. SPEAKER: The Minister of Justice.

MR. HICKMAN: Mr. Speaker, this bill is being brought in at the request of both the fire commissioner and the R.C.M.P. It is to provide that in, say, industrial concerns where they have adequate fire protection, and where a fire occurs and the origin of the fire is known and there is no criminality involved, that it not require a

police investigation but rather that the fire be reported to the fire commissioner. I move second reading.

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

MR. SPEAKER: It now being five-thirty we shall proceed with the one question we have for the debate on the adjournment really, a question asked of the Minister of Municipal Affairs and Housing by the honourable Member for St. Barbe North. I recognize the honourable Member for St. Barbe North.

MR. F. ROWE: I rise at this time, Sir, because both myself and my colleague from Bonavista North were dissatisfied with the answers that we received from the Minister of Municipal Affairs and Housing this morning when the questions were put to him relating to the expenditure of $20 million for water and sewerage projects in certain communities throughout the Province of Newfoundland and Labrador presumably, which I understand, are guaranteed loans if I remember correctly.

Sir, I do not want to get political about this but we simply asked that the list be tabled. We simply asked why has this list not been made public for perusal by all of the people of Newfoundland and Labrador and by this House of Assembly. The minister has informed us, Sir, that telegrams have been forwarded to these communities that have had their requests approved. One wonders why the minister has not sent telegrams to these communities that had their requests rejected or not approved according to the original request. Sir, we object to this procedure because we think that the minister under the circumstances is simply being politically expedient in the method that he is using in

informing the people of the good news but not having the courage and the courtesy to inform the people involved and responsible of the bad news. That is our simple objection, Sir. We feel that the minister should do the courtesy to this honourable House and to the people of Newfoundland and Labrador of tabling and making public the total list of the breakdown of this $20 million in guaranteed loans to the various forms of local government. It is as simple as that, Sir. It is a fair amount of money.

One other basic concern that we have, Sir, is that how much of this $20 million is going to the larger communities or towns or cities in the Province? For instance, how much is going to St. John's? How much is going to Grand Falls? How much is going to, say, Gander? How much is going to Corner Brook or Stephenville? - the larger centres of the Province.because if there is a significant amount going to these larger communities, Sir, or larger towns or larger cities, obviously this means very little left over for the more rural and smaller communities in the Province.

So, without getting very emotional, Sir, or political or partisan on this subject I think the minister has the duty and certainly has the power to make public the list of approvals and the list of modifications and the list of total rejections. Because, Sir, this is really an ad hoc,or what the honourable Don Jamieson calls band-aid treatment. This is the government, Sir, who has all sorts of planning and priorities committees! We have not received a long-term plan from the minister in this respect. We have simply heard that the minister has sent telegrams out to certain communities approving of their applications for money for the purposes of water and sewer. This certainly, Sir, does not fall in line with this administration's emphasis on long-range planning and the setting up of priorities.

So, I will simply appeal to the minister to level with the people, have the courage to give the bad news with the good and

to table before the House so it can be scrutinized by the peoples' representatives.

MR. SPEAKER: The honourable Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, this year the Government of Newfoundland and Labrador is going to undertake one of the most ambitious programmes ever undertaken by any provincial government in this Province in the past twenty-five years in the instalation of water and sewer systems in this Province.

SOME HON. MEMBERS: Hear! Hear!

MR. PECKFORD: We are talking about an expenditure of over $20 million and we are talking about that expenditure occurring and affecting the lives of people in the rural parts of Newfoundland and Labrador.

AN HON. MEMBER: Hear! Hear!

MR. PECKFORD: We are not talking about injecting massive amounts of money only into St. John's or only into Grand Falls or only into Corner Brook. We are going to be putting the majority of the money that will be spent this year into those places in the Province that need it the most. It is based on need. One reason why we cannot have a long term plan that we can stick to religiously is primarily because over six or eight months a given community in the Province will suddenly have a health survey done that was not done before indicating that as of six months now from what it was previously the wells in that community have become polluted, and that if you have a long term plan of what you are going to do next you would simply negate any possibility of that particular community, that small community getting a water and sewer system in a short time.

SOME HON. MEMBERS: Hear! Hear!

MR. PECKFORD: Mr. Speaker, within the next two or three days, in the next two or three days we shall be releasing the list of towns, of community councils, of local improvement districts, of rural district

councils that are going to be receiving funds from the Department of Municipal Affairs for the instalation of water and sewer systems. That will be released to the public indicating just how massive this programme is. We have withheld it because we have had some planning problems in getting telegrams out in the first instance

to the municipal authorities who were the ones who requested it anyway. We have had some problems in getting all of the list done up and ready for publication to the public, number one. And number two, we are a little bit scared, Mr. Speaker, we are taking our time on it because we do not want to shock the Opposition out of their seats. We still want them around the House. And this is such a massive programme that we have to try to break it to them gently, Mr. Speaker. And we will be breaking it to them gently and informing everybody in the Province just where we stand on municipal services. I only hope that within the next two or three years all the major small communities will get the kind of financial assistance from the government that is needed to eliminate once and for all the pollution problems that we have in these small communities like the Dovers and the Embrees and the other ones where pollution is very, very high on their list.

So,Mr. Speaker, to clue up,it is an ambitious programme. It is the biggest one ever undertaken by the government, by any provincial government in this Province. That we will be releasing a list indicating the towns that will be receiving financial assistance from the government and what it is to be used for, and that we do not have a long-term plan because it negates those smaller communities that suddenly find themselves in pollution situations over a short period of time. So we try to handle them as they come in without an overall plan, but our priorities are based on pollution or based on population and based on,overall, need.

So, Mr. Speaker, I hope that that answers the queries posed by the Hon. Member from St. Barbe North. And I trust that within the next couple of days he will laud this government for this ambitious programme that we are undertaking.

MR. ROWE: I am sure to!

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: Order, please! It is moved and seconded that the House do now adjourn. Those in favour "Aye", those against "Nay". The motion is defeated. I do now leave the Chair until 8:00 o'clock tonight.

The House resumed at 8:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

Motion second reading of a bill, "An Act Further To Amend The City Of St. John's Act." (Bill No. 62).

MR. SPEAKER: The honourable Minister of Municipal Affairs and Housing.

HON. A. B. PECKFORD, Minister of Municipal Affairs and Housing:

Mr. Speaker, these amendments to the City of St. John's Act represent the various requests made by the City of St. John's over this past year to have amendments to the act, in some cases to streamline their operations and their administration and others to make some more serious changes in how the city is to be run.

The explanatory notes, Mr. Speaker, given in the bill clearly outline what the amendments are all about. The first one there concerns the building inspector and the change here is designed to provide that not only the City Engineer, the burden on the Council and the City Engineer, formally approving routine plans and specifications for buildings that a new official of the City, a building inspector be permitted

to engage in that kind of activity. This Clause (3) deals with the Bowring Park Committee, Clause (3), No. 2 explanatory note. Clause (4) - all along the City of St. John's has had a planning commission and as most honourable gentlemen of the House might know this has not functioned all that well and the City Council are recommending that they want to do it themselves with their own planners and hence the town planning commission is now redundant and they do not need it any longer.

Some honourable members might oppose this on the grounds that there are very few planners at City Hall right now, I think which is a fact. If there are any left, I am not sure. There might be one. I think that last planner is going.but I understand that the city is engaging consultants to do the planning work of the city right now. In any case Clause (4) is a redundant - the planning commission is now a redundant agency or arm of the city and therefore should be taken out, should be repealed.

Mr. Speaker, on Clause (5) about increasing the level on the Broad Cove River from 300 feet to 400 feet to allow for more building to occur there. The next one deals with - Subsection (2) or Section 120 of the principal act prohibits, with certain exceptions, the erection of any building within the watershed of Windsor Lake, Round Pond, Newfoundland Pond and George's Pond. Clause (6) would allow, as another exception, a building to replace a building destroyed by fire.

Most of the ones, Mr. Speaker - I will not go through them all - are routine amendments to the City of St. John's Act. Clause (13) I should point out here - there might be a couple here on which some clarification might be necessary - which is No. 12 explanatory note would provide for an annual licence fee of $100 to be paid by persons not already referred to in this Section or Section 288 of the principal Act. It is 12 explanatory note, Clause (13). In the principal act most of the businesses are defined on which you levy the tax,but in the last few years there have been a number of businesses come on stream because of technology and all the rest of it that do not, are not encompassed by the principal

act to levy this tax upon.(Poor grammar,I know.)

I cannot give a particular example off the top of my head of the kinds of businesses but you know, if one looks at the principal act of the City of St. John's, a lot of the businesses are named, the normal businesses that any town or city would have. But in recent years you have a lot of other kinds of businesses being established that are not covered by it and hence the reason for this amendment.

Clause (15), number 14 explanatory note would authorize the City impounder to use a tranquillizer gun in the seizure of animals if the prior consent of the City Clerk or a person duly authorized by him is obtained. So, they are becoming militaristic down to City Hall.

There is another interesting one there. A lot of the final ones in the bill like the Clauses (18), (19) and (20), you know, impowering, unless the Council otherwise provides, the Building Inspector as well as the City Engineer to sign approved plans and building permits, this is just to streamline the administration of City Hall and to take some of the workload off the city engineer and put it in the hands of the building inspector.

Now number 20 or Clause (21). That Clause (21) in the principal act should have been out about twenty years ago from what I can gather from my officials. There was something in the act years ago about ancient lights and it is no longer necessary now. There was a provision that so much light had to be provided to all the houses, any building that was in the town,and apparently there was some proviso there in the principal act saying that this was in effect for twenty years or so or,in effect for so many years,and it would have lapsed fifteen or twenty years ago. In any case, it has never come out of the act. It is no longer relative any more.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. PECKFORD: It is just a term used to describe a condition whereby buildings would not be erected around other buildings,

blocking off sufficient light to enter. It is no longer - it is inappropriate and redundant right now and quite outdated and it has been inadvertently retained over the years in the principal act for no real good reason.

So, Mr. Speaker, I will stop there and if there are any questions from any of the honourable members I will do my best to answer them. So, I will move second reading.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. ROWE: Sir, this is obviously at the request of the city council, Sir, streamlining as the minister suggested, routine changes in the act. Sir, I am sure that anything that Dot would recommend that this government would accept and approve of is a wise move in the right direction with the young, new, brilliant Minister of Municipal Affairs and Housing, Sir. So, quite seriously I cannot see any objections that we would have on this side of the House to any of the amendments contained in the bill, Sir. So, we simply approve of what the minister has said and call the question.

On motion second reading of a bill, "An Act Further To Amend The City Of St. John's Act," read a second time, ordered referred to a Committee of the Whole House presently by leave.

On motion second reading of a bill, "An Act Further To Amend The Agreement Approved And Confirmed And Set Forth In The Schedule To The Bowater's Newfoundland Act, 1938, And To Make Certain Statutory Provisions Relating To That Agreement."(Bill No. 74)

MR. SPEAKER: The honourable Minister of Forestry and Agriculture.

MR. COLLINS: Mr. Speaker, this is an amendment to the Bowater's Act of 1938. One of the agreements as a result of that act requires the Bowater's Corporation to cut for export a certain amount of wood every year and failing to do so the agreement to that act makes it mandatory that Bowater's cut the wood or the Province can assess them a charge of two dollars per cord. The amount of wood which was supposed to be cut every year was 50,000 cords and, of course, at

two dollars per cord. If the wood was not cut that means that there was a charge to be laid against Bowaters to the extent of $100,000. We could collect $100,000 from them.

Now, we have noticed that Bowaters failed to meet the terms of the agreement and the requirements of the act in the years 1971, 1972, 1973 and 1974. It has been a source of some concern to us and to Bowaters as well, because under the terms of the agreement again, under adverse conditions, like because of an act of God or poor market conditions or whatever Bowaters could be exempted from having to cut the wood and indeed exempted from having to pay the penalty. We have had a lot of meetings with Bowaters and two courses were open to us. Number one was to try and negotiate an agreement with them and number two was to let the courts settle the case for us. We were reluctant to go to court and I am sure that Bowaters were also reluctant to go to court.

We have had, as I said, Mr. Speaker, numerous meetings with the company over the past year or so and we have come to an agreement now wherehy the Bowaters liability for payments under clause (5) for the years 1971 and 1972, they will agree to pay the $100,000 per year, $100,000 for 1971 and $100,000 for 1972. But the years 1973 and 1974, they tell us that there was no way they could cut the wood at that particular time. They could have cut it but they could not dispose of it. So, we have come to an agreement with them whereby they will pay the $200,000 for those first two years, 1971 and 1972, and they have agreed to cut the amount of wood which

otherwise would have been cut in 1973 and 1973 over the next one, two, three or four years, whatever might be necessary. And that is something that we can work out with them. And we would not require them to export the wood. The wood could be sold to a third party. They could not cut it and keep it themselves. It could be sold to a third party in the Province, such as the Linerboard Mill or whatever.

So, Mr. Speaker, it gives me -

MR. MURPHY: They will have to catch up.

MR. COLLINS: Pardon?

MR. MURPHY: They still got to cut the 50,000 and they would catch up on this.

MR. COLLINS: Well for 1971 and 1972, they are going to pay the penalty. And for the years when the markets were bad and there was not much point in cutting the wood from their point of view, they will cut 200,000 cords over a period of years to sell to a third party.

The purpose of the agreement, Mr. Speaker, is to permit the Minister of Forestry and Agriculture to enter into such an agreement with Bowaters.

MR. SPEAKER: The Hon. Member for Fogo.

CAPT. WINSOR: Mr. Speaker, I would say it is about time that the government took action toward Bowaters and compelled them either to pay or cut the wood. Because I do not know, perhaps the minister will answer my question when closing the debate, whether or not Bowaters is the only company who has the export licence to export round timber. Now when Bowaters ceased to export and cut wood for export, of course that brought about a lot of unemployment in certain areas. I can think of Indian Bay, where quite a lot of wood was exported out of Indian Bay, and practically all down through my younger years when we were finished school we were able to go to Valleyfield or Indian Bay and get a few hours of work loading the pulpwood ships as we used to call them. But for some reason or other a sudden halt came to

that little employment as far as the schoolboys were concerned. However it did cause some serious thinking on the part of the people living in those areas. And now that Bowaters discontinued I am wondering whether or not other companies had been refused a permit to export, for the simple reason that Bowaters put the rumour around or Bowaters said there was no market for export of round timber. This I can hardly credit. But now since we have the Stephenville Mill and, you know, there is all kinds of market for round timber, so why should they hold this timber and not dispose of or not cut to give the employment, or not pay the government some stumpage or whatever per cord, if we want to classify it per cord.

And so, I think, Mr. Speaker, that Bowaters should be compelled to pay, and that is the minimum, I think the government are very generous with Bowaters in this respect. And I am wondering if they in 1973 or 1974 that they should not be compelled to make some compensation. The bill says, they are going to cut the 50,000 cords in those - no, no they are not going to cut it. Did the minister say they were going to cut that in 1975?

MR. COLLINS: Well they will cut it over a two or three year period.

CAPT. WINSOR: Yes. But not all in 1975.

MR. COLLINS: Not all in 1975.

CAPT. WINSOR: Yes. Well my point is whether Bowaters are keeping other companies from cutting that wood and exporting it. This is the point that I would like to have clarified.

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

MR. COLLINS: Yes, Mr. Speaker, Bowaters have been permitted, of course, by the act which I just mentioned, and the agreement which follows from the act to export wood. They still have it under this amendment as being passed. But about a couple of years ago this government in their desire to find an adequate and continuous supply of wood for the Newfoundland and Labrador Linerboard Mill in Stephenville through Order in Council brought in an order prohibiting the export of wood.

There were a few small outfits in Newfoundland - there was one in Gander which was exporting wood through Carmanville and there are one or two others that were exporting wood through a broker in Montreal.

MR. PECKFORD: And Main Brook were doing it too.

MR. COLLINS: And Main Brook was possibly doing

it as well. But, as I said, in an effort to obtain an adequate and reliable source of raw material for the Linerboard Mill, the government in their wisdom, and I think we were right in doing that, rescinded those export licences. Bowaters was left out because that was done by agreement, by legislative agreement and there was a considerable amount of wood involved and they could have cut the wood in a section of Newfoundland which might not have been hurting in terms of hampering supplies to Linerboard because it was a considerable distance from the Linerboard Mill. But we have not received any criticism from people whose licences were rescinded. Now this year, this past winter, Mr. Speaker, in an effort to try and assist some of these sawmill operators who are cutting logs and also cutting pulpwood, of course, and having difficulty in selling it because of the down time in some of the mills and so on, we rescinded the order again this year to permit them to export wood provided they could find a market. And the honourable Member for Fogo when he says there is a market wood I would like for him to tell me where it is because Industrial Development and Industry, Trade and Commerce in Ottawa and the Sawmiller's Association and every individual I know of, are trying desperately now to find an export market for wood and there is just no market for export wood available.

MR. WINSOR: There are plenty of markets!

MR. COLLINS: Well, they can find a market but it is not an economic venture. So the need to do anything else with those arrangements is not there because the market is just not there. In terms of Bowaters I cannot say we are easy on them. The legislation requires them to pay $100,000 a year to cut 50,000 cords of wood or pay the penalty of $2 per cord which amounts to $100,000 per year. That is by Legislative agreement again. So they are going to pay that amount for the first two years they omitted to cut the wood for export and then our efforts still to make sure that we get maximum utilization, maximum benefits from the raw material, from the resource, we are going to require Bowaters over the next two or three years, and

that is left open so that we can reach a mutual agreement, one which is most beneficial to us and will also permit Bowaters to carry out the requirements of the amendment. It might take them two years or three years, depending upon the requirements primarily of the Labrador Linerboard Mill. But we will give them the opportunity to cut that wood and make it possible for them to sell it to a third party as opposed to making it mandatory that the wood be exported.

On motion a bill, "An Act Further To Amend The Agreement Approved And Confirmed And Set Forth In The Schedule To The Bowater's Newfoundland Act, 1938, And To Make Certain Statutory Provisions Relating To That Agreement," 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 Motorized Snow Vehicles And All-Terrain Vehicles Act." (Bill No. 69).

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: Mr. Speaker, this is a very simple amendment to the relevant act. It adds a subsection to a clause to make it an offence to use an all-terrain vehicle for chasing, harrassing, and etc., wild life. It says, "Every person who operates a vehicle to chase, harass, worry, injure or kill any wildlife is guilty of an offence." And of course this is very important and very much needed now with the use of all-terrain vehicles in our wilderness areas, and the wording has been changed. There was a clause in the bill that passed through the House three or four months ago, and the clause has been changed to meet suggestions from members of the House who wanted some change in the wording of the clause.

So it would be an offence to operate one of those vehicles now to chase, harass, worry, injure or kill any wildlife but it would not be an offence to use one to hunt in the sense that you go into the country in one and then hunt. But to use the vehicle itself to chase, harass, worry, injure or kill would be an offence.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. ROWE: We are very pleased, Sir, to see this amendment after the debate that we had just before Christmas and we agree with it wholeheartedly.

On motion a bill, "An Act Further To Amend The Motorized Snow Vehicles And All-Terrain Vehicles Act," read a second time, ordered referred to a Committee of the Whole House presently by leave.

MR. CROSBIE: Order no. 32.

Motion second reading of a bill, "An Act Further To Amend The Tourist Establishment Act." (Bill No. 73).

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: I rise to move second reading of this act which is an amendment, and quite a simple amendment, to change the definition of a tourist establishment in the principal act to include a tourist information center, a hospitality home or tour company. The bill also increases the penalty for a violation of the regulations as are made under the act.

Well, of course, with the advances in tourism in the last several years, the tourist establishment now should be regulated to include a tourist information center to ensure that they conform to proper standards, a hospitality home, which is a home where people may have two or three rooms which they use for guests or tourists. Obviously we want to ensure a decent standard in such homes. And, a tour company will now tour - there are very many tour companies now in the tourist business arranging tours in the Province. This is really the principal form of activity now in the tourist industry, and tour companies should have to observe certain rules and regulations to protect the people who are guests of the tour company and the like.

So, that is the purpose of the bill, and I move second reading.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: Mr. Speaker, I concur with the minister on this bill. Certainly some of the so called hospitality homes certainly need some kind of regulation, because after the government's policy of, I do not know whether financially assisting some of those homes or advertising them as such, many tourists who came here last Summer - I recall meeting a couple who stayed in one of those so-called homes who were very disappointed. As a matter of fact they complained about practically everything that was inside of the four walls of the building. There was very little preparation made for tourists as such, and the people were out to get a fast buck at

the expense of the tourists themselves. And in many cases it took away a poor taste towards our Province when it came to catering to tourists.

Now, there are a lot of establishments. there are a lot of tourist establishments which certainly need some upgrading and some improvement both in staff and in accommodation. But I must admit there is a big improvement. There is a big improvement in certain areas. In some other areas it has not changed too much, not very appreciative anyway. So, I would like to see the regulations stiffened up a bit and the operators of those establishments made to provide or made to comply with the regulations because it is no use to have regulations, Mr. Speaker, unless they are enforced. This is where I think our Department of Tourism is falling down. We do not have sufficient men going around inspecting those establishments.

So, perhaps when the minister is replying or closing in the debate he can probably explain to us what exactly is a hospitality home, you know, what regulations should be complied with in order to provide a tourist who is travelling all day, very tried when he lands at some outport, I suppose, not so much around St. John's but certainly around many of our outports, and finds it very uncomfortable to stay in some of those so called hospitality homes.

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

MR. CROSBIE: A hospitality home, Mr. Speaker, is a home particularly in more remote areas where there are not tourist facilities, where the owners of the home agree that during the Summer they will provide one or two or three rooms to accommodate guests during the Summer season. There was a survey done two years ago to establish how many might be willing to do this. One of the things that we are short on in this Province is proper accommodation for tourists particularly in the Summer season. So, a hospitality home is a home that is open in the tourist season, which is basically the Summer for the accommodation of people visiting the Province.

It is not a regular boarding house. It is not open all year around but it is a home that is opened up during the peak of our tourist season for the use of tourists and naturally the Department of Tourism wants to establish certain standards for that type of accommodation,which is usually very reasonable in price. But, we have to make sure that, of course,

the accommodation is comfortable and sanitary and meets proper standards. I would move second reading of the bill.

On motion a bill, "An Act Further To Amend The Tourist Establishment 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 Public Libraries Act, 1975." (Bill No. 82).

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: This is not a very weighty bill. It just makes clear that the Public Libraries Board and that under the Public Libraries Act the minister who is responsible is the Minister of Tourism, and the Public Libraries Board have been operated by the Department of Tourism now for several years and through the Cultural Affairs Division of the Department of Tourism. This is simply to make clear that the minisrer responsible under the Public Libraries Act is the Minister of Tourism. I move second reading.

On motion a bill, "An Act To Amend The Public Libraries 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 Memorial University (Pensions)Act." (Bill No. 81).

MR. SPEAKER: The honourable Minister of Justice.

MR. HICKMAN: Mr. Speaker, this bill speaks for itself. The pensions of the faculty of Memorial are funded by them and they have requested that there be an amendment to the act to provide that any person who is eligible for pension under that fund and who has served in the armed forces, that after ten years of pensionable service having been accrued that the time that he or she spent in the armed forces be counted towards their pension.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: Mr. Speaker, there are one or two items there I would like the minister to explain. That is the armed forces. You know, the war services means veterans who served in the navy, military air force, Her Majesty's Right in Canada or the Merchant Service.

Mr. Speaker, is what way does that affect the Merchant Seamen? I am probably a little selfish here being perhaps one of the two or three who served in the Merchant Navy during the war.

MR. HICKMAN: You want to know if that service applies?

CAPT. WINSOR: Yes. This is what - in what way, in which respect? How does it benefit? How do you get benefits? There were no contributions towards pensions. In the case of a member of the House of Assembly, you know, you cannot get a pension until you get to the age of sixty years old. You are not eligible until you are sixty. There were no contributions. So, we had four or five years. Where do we get the credit? Where is the credit shown or how is it attributed to increasing the merchant seaman's pension at retirement?

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

MR. HICKMAN: As I read this bill, that any, say, professor at Memorial who served in the Merchant Marine during the war, World War I or II or the Korean War and then completes ten years of pensionable service that the years in the Merchant Marine would be counted then towards his pensionable years. He gets these extra years. If he has four years in the Merchant Navy then he would have accumulated fourteen years of pensionable service.

Now, I have a great deal of sympathy with the honourable gentleman from Fogo with respect to pensions for members of the House of Assembly,

MR. HICKMAN: and some day, some day we will get a realistic pension.

MR. WINSOR: But not tomorrow.

MR. HICKMAN: We have unquestionably, the members of the House of Assembly have probably the most inadequate, parsimonious, mean, frugal -

MR. WINSOR: Stingy.

MR. HICKMAN: Unacceptable, stingy -

MR. WINSOR: Unrealistic.

MR.HICKMAN: - unrealistic pension that is known in the British Commonwealth of Nations. But that has nothing to do with this principle of the bill. But in any event when we some day see a realistic pension for members of the House of Assembly, in my opinion that will be the time for the honourable gentleman from Fogo to make a very strong case to include in calculating his pension the time spent in the Merchant Service.

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

MR. CROSBIE: Order no. 39.

On motion second reading of a bill, "An Act Further To Amend The Memorial University Act." (Bill No. 87)

MR. SPEAKER: The honourable Minister of Justice.

MR. HICKMAN: This bill is simply to increase the number of the Board of Regents, no reduce it, from nineteen to seventeen. The reason for this apparently is, Mr. Speaker, that last year the Alumni asked that they have the right to select six members of the Board of Regents, have been increased from four to six. This was agreed and it has been done but there were no vacancies so that two additional positions had to be created. Now when their term of office expires in 1976, it will go back from nineteen to seventeen.

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

MR. CROSBIE: Order no. 26.

MR. SPEAKER: On motion second reading of a bill, "An Act To Provide For Livestock Insurance And To Create A Livestock Owners Compensation Board." (Bill No. 76)

MR. SPEAKER: The honourable Minister of Forestry and Agriculture.

MR.COLLINS: Yes, Mr. Speaker, this bill is in response to a great number of requests which we have received from farmers, particularly livestock farmers such as sheep and cattle and goats and other four legged creatures.

MR. MURPHY: The four legs are profit.

MR. COLLINS: It derives from the fact, Mr. Speaker, that those animals are very, very susceptable to attacks by dogs and very often of course the farmers are left with nowhere to go to look for compensation, apart from looking to the minister and to the government to try and find someway out of their good hearts to be able to compensate them.

The bill will provide, Mr. Speaker, for the creation of a livestock owners compensation board and the establishment of a livestock owners compensation fund

which will be funded with $50,000 and there will be premiums, of course, collected from the farmers as well which will be determined as we go along. The board, I suspect, Mr. Speaker, will come under the, not only the aegis but certainly it will be operated in conjunction very likely with the Farm Loan Board. Maybe some of those members and some other members might have to be appointed. But, Mr. Speaker, the important thing is that those livestock farmers in Newfoundland will be able to make a small contribution to an insurance fund. The government, of course, will also put money in the fund, and in the event that they do lost some of their sheep or cows then there will be a recognized fund for them to go to to received compensation.

It gives me great pleasure in moving second reading of this bill.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: Now, perhaps we can deal with this. There is one clause here, clause (5) referring to the M.H.A.s, would be eligible to serve on that Board and receive some remuneration.

MR. DOODY: You object to that?

MR. WINSOR: Yes, this is the one that is striking to me.

AN HON. MEMBER: Which Clause is it?

CAPT. WINSOR: Clause (5).

AN HON. MEMBER: We will fix that. We will take it out at the proper time.

CAPT. WINSOR: All right, okay.

On motion second reading of a bill, "An Act To Provide For Livestock Insurance And To Create A Livestock Owners Compensation Board," read a second time, ordered referred to a Committee of the Whole House presently by leave.

On motion second reading of a bill, "An Act Further To Amend The Department Of Municipal Affairs And Housing Act, 1973." (Bill No. 65)

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. ROWE: We are on bill (65), Mr. Speaker. Sir, I had a few preliminary comments on this particular bill yesterday and I appreciate

the minister giving me an opportunity - I explained to him I had to leave early tonight - to speak to this particular bill, Sir. I wish I had two hours to speak to it. As a matter of fact I do have unlimited time, come to think of it.to speak to this particular bill.

MR. SPEAKER: The honourable member is the gentleman who is speaking immediately following the minister, and so he has unlimited time.

MR. ROWE: Right. But obviously I will not be going through until eleven o'clock. But, Sir, as I explained yesterday this amendment to the "Department of Municipal Affairs and Housing Act, 1973" gives the minister, gives the Minister of Municipal Affairs and Housing the power not only to dismiss, that is already in the act, to dismiss an authority or any member of a local authority,but such a dismissed member would not be qualified to run for re-election within a two year period of his dismissal. Now, Sir, in my view, and I am serious and I am not trying to take political advantage of this bill because I think it is a very, very poor one, Sir, but it is a very offensive bill. It is oppressive. It is regressive and it is dictatorial and it is as undemocratic as any amendment that I have ever seen come before this House. It is just, Sir, just as dictatorial and undemocratic and oppressive and offensive as a certain section of the act for which the previous administration is responsible. I will turn to that in a few moments, Mr. Speaker. But there is a very offensive and a very dictatorial section to the act as contained in the statutes of 1972.

If anything should be happening, Sir, if any amendment is brought before this House it should be brought before the House to delete

that section I will refer to later on, which even gives the minister the power to dismiss a member from an authority.

SOME HON. MEMBERS: Hear! Hear!

MR. PECKFORD: So what!

MR. F. ROWE: What is the problem?

MR. PECKFORD: You know what! You knew that was there.

MR. F. ROWE: Yes, I knew exactly. That is right, I knew it was there, and I know it was there. And I am saying that if an amendment comes before this House relating to ministerial powers to dismiss and bar from office for any period of time, if ever an amendment comes before the House it should be to delete what was in the act in the first place, and I will refer to that.

Sir, dismissal as contained in the act is bad enough. Well let us just look at it. Sir, if we look at the Revised Statutes of Newfoundland from 1970, page 1534 - and I would suggest to the minister to listen to this rather carefully. If he is aware of it he should not think it is a joke, if he is not aware of it he should seriously consider it. This is Section (19) on page - well I do not know if the minister -

MR. PECKFORD: Is this the Local Government Act or the Municipal Affairs Act?

MR. F. ROWE: This is the Department of Municipal Affairs and Housing Act, Chapter 89, 19 -

MR. PECKFORD: It was 20 -

MR. F. ROWE: Well the minister - I am referring to the Revised Statutes 1970, Volume 3, Chapters 83 to 146, and page 1534. Procedures or irregularity in management of municipal authorities. If the minister is satisfied upon the report of any inspector appointed under Section (21) or any other manner that the affairs of a municipal authority are managed in an irregular or an improper manner he may by order in writing direct the municipal authority or any officer of the municipal authority to take such action as the minister considers necessary or advisable in the circumstances, or subject to the approval of the Lieutenant-Governor in Council dismiss the municipal authority or any member of the municipal authority.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: If any direction given by the minister under paragraph (a) of Subsection (1) is not carried out to the minister's satisfaction he may be ordering in writing dismiss any officer of the municipal authority or subject to the approval of the Lieutenant-Governor in Council dismiss the municipal authority or any member of that municipal authority.

Now, Sir, the Tory Administration are not responsible for that.

MR. PECKFORD: That is absolutely right.

MR. F. ROWE: That is absolutely right. I do not even know if the Liberal Administration brought it in, but they certainly left it in the Statute Books. They probably brought it in. But, Sir, we are men enough over here to say that it is conceivable that the Liberal Administration in twenty-three years might have done a few things that need to be changed. And I would suggest, Sir, that this honourable crowd, this P.C. Administration would be better in deleting what I just read from the act, because it is inexcusable to have it in there at this present time. There is no need to give any minister of the Crown the power to dismiss any member from a municipal authority. And why do I say that, Sir?

MR. PECKFORD: You are on dangerous ground.

MR. F. ROWE: I am on dangerous ground, the honourable minister says. Well why can a member on a municipal authority, why would he be dismissed? Why would he be dismissed? There are only a number of categories of reasons, and if I leave any out the honourable minister can suggest a few more. One, because of any illegal or criminal act. I would submit that might be reasonable grounds for dismissing a member from a municipal authority. Sir, we have courts in this land, we have District Courts and we have the Supreme Court.

MR. PECKFORD: You are not the only one -

MR. F. ROWE: I am not finished, Mr. Speaker. The courts of the land can if a person is accussed of something on a municipal authority, a criminal or an illegal act, he can be accussed and he can be tried, and if guilty he can be convicted, and if innocent, of course, it is obvious he would be set free,

or the whole thing dropped just there. The courts of our land, Sir, take care of that category of activity for which a member of a municipal council can be dismissed. Now, what other grounds can there be for dismissal? Incompetence? I ask the honourable minister, can a member be dismissed for incompetence, incompetence?

MR. BARRY: What about quasi-criminal acts.

MR. F. ROWE: Okay. Well, we will come to that. We will come right down the line. If incompetence is involved, Sir, surely the same rules apply to the member of a municipal authority, since he is elected, as would apply to an honourable minister of the crown or an honourable member of the House. The council can take care of them as would a caucus or as would a cabinet, or the electorate would take care of them in due course. We do not need the minister of the crown, the Minister of Municipal Affairs and Housing to sit in the cabinet room with his colleagues and decide whether a member of a municipal authority should be dismissed or not.

Sir, I cannot think of any crime or any deed that can be committed by any member of a municipal authority that would be greater than the crime contained in this particular amendment in giving the minister the power to bar that person from seeking re-election for two years after dismissal. I do not even agree with the dismissal clause. I think that that is what, if anything is amended, that is what should be amended by way of deletion.

Sir, as far as I am concerned this strikes at the very heart, at the very roots of our democratic system, of our human rights, and it is most unacceptable to this side of the House and , Sir, I think it should simply be withdrawn, the whole amendment should be withdrawn. I appeal to the minister to bring in another amendment and the amendment basically would be to delete these sections of the act that I just read a few moments ago.

Now, Sir, it is interesting to note that in the, again in the Revised Statutes of 1970, volume five, page 3217 - this is the Local Government act, chapter 216. That is in the -

MR. PECKFORD: What section, please?

MR. F. ROWE: We are on section 16 (2), the council shall by resolution declare vacant the office of a councillor if he ceases to be a resident of the municipality, is absent from the municipality for more than one year or ceases to be liable for the real property tax or the municipal service fee, becomes indebted to the council for arrears of tax, without leave of council neglects to be sworn into office, etc. etc. and we go right down through.

We see here, Sir, a case where the councils themselves may declare an office vacant. The councils can do that. All right! The minister agrees. Sir, if - in other words what we are saying here is that a council if they have a grudge against an individual or if they have a rightful cause can get rid of a member.

MR. PECKFORD: For specific reasons.

MR. F. ROWE: Yes, for specific reasons. I agree, I am on the same track with the minister. A council -

MR. BARRY: Do not be so intense now, "Fred".

MR. F. ROWE: The more provocation, Sir, the more they are going to have to suffer. That is about the only reaction I can have to the honourable minister.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. F. ROWE: You know, but I, you know, I have to leave but I am not compelled to leave.

MR. CROSBIE: Order, gentlemen, order!

MR. F. ROWE: Yes, right. Listen to your House Leader now.

The honourable minister, Sir, agrees that a council can relieve a member of his duties in council.

MR. PECKFORD: "Can" is the wrong word. "Is allowed," is correct.

MR. F. ROWE: "Is allowed," "Shall" according to certain conditions.

MR. SPEAKER (STAGG): Order, please!

Honourable members at times offer one another the

right to engage in conversation back and forth. But it is frowned upon by the rules because it has a tendency to turn debate into freewheeling conversation and degenerate further than that. So I suggest to honourable members that the member speaking has the right to be heard in silence to make his speech. But as far as carrying on a pleasant chat with the gentleman across the floor is concerned that the Chair will have to prohibit.

MR. ROWE: Thank you, Mr. Speaker. It is kind of distractive, I must say. I realize that you can approach this in two ways. You can approach it in the tedious way which I am trying to do to try to get some logic to it or you can approach it from the political and emotional point of view. I am trying to approach it from the more or less logical, tedious point of view and I am not a lawyer, so I cannot build in the normal enthusiam that a lawyer may be able to do. But I am trying to show here, number one, that the minister has the right to dismiss a person, and he has the right to bar him from seeking re-election for two years which I find most distasteful.

A council has the right - we can play around with words, can, shall, could, would - relieve a member of his duties, as a member of a council. Councils have that right now according to the act. But, Sir, according to the Local Government Amendment Act, number 100, page 882 of volume 2-1973 of the statutes of Newfoundland we see that a councillor agrees by a resolution made under subsection (2), which is getting flicked out, of section 16, may appeal against a resolution to a judge of the Supreme Court of Newfoundland by filing a notice of appeal in the office of the Registrar of the Supreme Court and by serving a copy of the notice of appeal on the clerk. So, Sir, even if a council relieves a member of the council of his duties - flicks him out, dismisses him -- this councillor or member of a municipal authority has the right of appeal to a judge of the Supreme Court of Newfoundland. That was the

Local Government Act, amendment to the act, number 100, 1973.

Sir, further on we see a change to the 1973 amendment, a change to the 1973 amendment which I just read to provide for appeal to a judge of a district court, not the Supreme Court. "A councillor agreed by a resolution may under subsection (2) of section 16 may appeal against a resolution to a judge of the district court having jurisdiction in the judicial district in which the municipality concerned is situated upon filing notes and appeals to the clerk of the municipality, so forth and so on. In other words, Sir, here is a situation; an honourable member of the Crown, who is a political being - we have all to admit that - has the right to dismiss and bar from elected office from seeking re-election for two years, has the right to do that with no appeal, no appeal in this particular case.

We have a mechanism where a member can be dismissed by the council itself for any activity that the council does not agree with, But he has the right of appeal. If it involves an illegal act or a crime of some kind which comes before the court, well that speaks for itself. Sir, in the legal profession, does the Cabinet have the right to flick out a lawyer, flick out a doctor, flick out a professor at the university, flick out a teacher?

SOME HON. MEMBERS: Oh, oh!

MR. ROWE: I am just saying, does the Minister of Education have the right to dismiss a teacher?

MR. PECKFORD: Yes, in certain cases.

MR. ROWE: Yes, but these areas that I referred to have associations, such as the N.T.A., the Bar Association, the Medical Association, the Dental Association and what have you.

And, Sir, the councillors, the local governments in this Province have the Federation of Mayors and Municipalities. Now why did I bring that up? I brought that up, Sir, because cannot that group, the Federation of Mayors and Municipalities set up a so-called code of ethics or rules and regulations similar to that set up by the legal, the medical, the teaching, you know, the professions and this sort of thing, so that they can discipline their own members. Is that a brilliant thought? No. It is common sense. So here we go, Sir, we got the courts of the land to take care of situations where dismissals may be required. We got the councils themselves who can dismiss members. And a dismissed person can appeal before a district court judge. And we have the Federation of Mayors and Municipalities, and just as a matter of curiosity - I admit ignorance on this - would local improvement districts come under the Federation of Mayors and Municipalities?

MR. PECKFORD: Yes.

MR. ROWE: And obviously we have a lot - okay that is good. But we have an awful lot of communities, you know, where prohably - do we have any local government at all that does not come under the jurisdiction of the Federation of Mayors and Municipalities?

MR. PECKFORD: No.

MR. ROWE: Okay. Well that is fine. In any case where we have any form of local government they are under the jurisdiction of the Mayors and Municipalities. So there is a third mechanism wherehy a code of ethics can be set up to discipline members.

So, Sir, I cannot see why the Liberals nor the P.C.'s, at this point in time, the Liberals either hrought in or condoned it, and the P.C. Administration continues to condone it, the dismissal aspect of it, and they hring in a more restrictive section where they bar the poor chap from seeking re-election for two years.

MR. BRETT: He almost said it!

MR. ROWE: Sir, I cannot see it at all. Sir, number one, it contradicts completely all the utterances of the Minister of Justice with respect to justice in this Province, you know, and rehabilitation and reform. And certainly, Sir, I cannot see how Newfoundland's

equivalent to the Right Honourable Mr. Diefenbaker on Human Rights, the honourable Member for Bonavista South, I cannot, Sir, see how he can get up and support this bill. And I invite the honourable member to get up on his feet and speak in the manner in which he speaks when it comes to human rights. And there is no way in this world that he can support this kind of a bill which totally disregards, Sir, all humanitarian controls. Sir, what would poor old Mr. Diefenbaker do if he saw a P.C. Administration bring in in this kind of legislation when he was such a champion of Human Rights!

MR. MOORES: He would be delighted.

MR. F. ROWE: He would not be delighted. He would be shocked out of his boots. He would be almost as shocked as he is over his present Leader, Sir.

MR. MOORES (PREMIER): He would be delighted.

MR. F. ROWE: Is that the minister's contribution to the debate, Sir? I must say they have the ability - I must be extremely vulnerable when it comes to being distracted, Sir, because I take -

MR. MORGAN: Where are all of your colleagues?

MR. SPEAKER (STAGG): Order, please!

MR. F. ROWE: - my colleagues, Sir, are on urgent public business throughout the Province at the present time.

MR. MURPHY: They gave up the public business to go politicking.

MR. F. ROWE: Now, Sir, the minister may well argue, and if he has his ears opened out there, may well argue that court cases are damaging to a person and his family and his kids.

MR. MOORES: What kind of cases?

MR. F. ROWE: Court cases.

MR. MOORES: Why?

MR. F. ROWE: Well, number one, if a chap is guilty of something, Sir, he does not have to go to court, this can be settled out of court in some cases. He can just plead guilty. All of the raunchy details do not have to be cast out before the public. They do not have to be. But, Sir, what is more damaging to a person and to his family than what the minister is bringing in here at the present time. Look, Sir, today's Telegram - and I did not want to bring out any names yesterday. I did not want to bring out any names - and I

MR. ROWE: said it was very unfortunate that in my humble opinion the minister was bringing in an amendment to the bill because of one specific case. And today we see the reason. Headlines, or subheadlines on page two of The Evening Telegram, "Dismissed Paradise Mayor interested in running again, proposed amendment would prevent him from doing so," and we read the details.

Sir, this is as public as anything can be in the courts. What I am trying to say, Sir, is that this clause, this amendment in the bill does not protect a person who is being dismissed and does not protect his family nor his children from any aspersions on his character or anything like that. If a guy is guilty it is going to be proven in court, and that is unfortunate, very unfortunate. His family has to suffer. It is very unfortunate. If a guy is dismissed by a council it is unfortunate his family has to suffer but he has a right of appeal to the District Court Judge. If he is dismissed by the minister, no right to appeal, and no right now, if this amendment passes, to seek re-election for a two year period. Sir, there is nothing more dictatorial - there just is not - there is nothing more undemocratic, there is nothing more damaging, there is no greater crime that can be committed by a person serving in a local government than is contained in this particular amendment.

I can repeat and get emotional about this, and go on for a long, long period of time, but I think I have made my point, all the points that have to be made, that no Minister of the Crown should have the right to dismiss or bar from seeking re-election for a two year period, any member of any council in Newfoundland.

The person has no right to appeal. The minister can abuse that right. The Cabinet, the Lieutenant-Governor in Council can abuse that right, Therefore we are saying the government can abuse that right, and therefore we are saying the party in power, be it P.C., Liberal or N.D.P., can abuse that right.

Sir, I hope honourable members will take note that I have stated very clearly that I feel that the relevant section in the act that was either brought in, or certainly continued and condoned by the Liberal Administration, I think is dictatorial and undemocratic, regressive, oppressive and whatever adjectives you want to use it should be removed. That is probably the difference, Sir, between Liberalism and P.C.ism. That we can get up here on this side of this honourable House and admit that something could be in the Statute Books that we are responsible for that is not entirely -

MR. PECKFORD: You had better sit down!

MR. SPEAKER (STAGG): Order, please!

MR. ROWE: Gunk, bull.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (STAGG): Order, please!

MR. ROWE: We will see who is going down and who is going up, Mr. Speaker.

MR. SPEAKER (STAGG): Order, please!

MR. PECKFORD: - you will find out who is -

MR. ROWE: Green Bay might be, the honourable -

MR. SPEAKER (STAGG): Order, please!

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (STAGG): Gentlemen, before someone goes down for the count I would suggest to honourable members -

MR. ROWE: It will not be long now.

MR. SPEAKER (STAGG): that the debate is relevant and I am sure it will be tempered.

MR. ROWE: Where was I, Mr. Speaker? Yes, the point that I was trying to make, Sir, is that we have the intestinal fortitude on this side to suggest that there may be sections in our Statutes of Newfoundland for which this party is responsible for that should be changed. The government in fact is in the process of changing some of them. I submit that the present administration

should change that section that I referred to, section 16 of the - change section, delete section 19 of the Department of Municipal Affairs and Housing act, just delete it. That should be the amendment. And withdraw this particular amendment that we have before the House now because it gives unnecessary power and unwarranted power to the minister, to the cabinet and to the party in power. And do not think that that cannot be abused, Sir, because it certainly can be. If there is something going on, Sir, that is not in the best interests of a local area, of a local jurisdiction, if a member of a municipal government is doing something that is not in the best interests, such as misappropriation of funds, immoral acts, mismanagement, a crime of some kind, illegal acts, - the honourable member, the honourable lawyer, my learned friend, the honourable Minister of Mines and Energy mentioned the expression, what was it, quasi - if I can get the minister's attention.

MR. MORGAN: The Justice Minister is not here.

MR. F. ROWE: No, Mines and Energy, Mines and Energy.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. F. ROWE: You see, there is attention, Mr. Speaker. The honourable Minister of Mines and Energy -

MR. SPEAKER (STAGG): The member has five minutes remaining.

MR. F. ROWE: No, Mr. Speaker. I believe that I have unlimited time since I was the first speaker after the minister who introduced -

MR. MURPHY: By leave.

MR. F. ROWE: No, not by leave by right. I was the first speaker following the minister in introducing the bill. So, it is my understanding that I have unlimited time although I do not intend to go on much longer. But I would like to get a ruling on that now if I may.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. F. ROWE: That is right, is it not?

MR. SPEAKER: Yes.

MR. ROWE: Yes, I will not be much longer in any event. The honourable Minister of Mines and Energy mentioned quasi-illegal acts.

MR. BARRY: Quasi-criminal acts.

MR. F. ROWE: Quasi - yes, somewhere something in between.

MR. BARRY: Certain actions under this act would be quasi criminal acts. They would not be criminal acts.

MR. F. ROWE: Okay. Right. Okay. Right. Now, do we have any mechanism to take care of that situation? Would the Federation of Mayors and Municipalities for example if they had a code set up, if they had a code - now, I admit that they have got to draft up a code - could they take care of that situation? Certainly a council could take care of that situation. Certainly, surely the government - yes, Mr. Speaker, we do have the answer - the government can go to court on the issue. If we got such a situation, something under the act, the government can bring the councillor in question before the court, the government itself, and give the guy a reasonable chance. At least he can rebut an argument. He has appeal in the court, And the minister rejects that. The minister rejects it.

Even if there is something broken under the - the minister may have an answer. But, you know, if there is a quasi-criminal act committed, cannot the government of this Province bring a councillor into the courts?

MR. BARRY: If an offence is committed, yes.

MR. F. ROWE: Right. Exactly. So, why should the Minister of Municipal Affairs and Housing have the right to dismiss and bar for re-election for two years? This is all I am asking. There is no - I have not heard one sensible reason. I mean, I have gotten up and when I try to say something I think of counter-arguments and thing of counter-reasons. If I could get a good reason, a very good reason, I might be convinced to vote for this. But, Sir, to my mind it is - when you chalk up all of the disadvantages, all of the undemocratic features, all of the dictatorial features against the opposite, there is no way that any honourable member interested in human rights and the rights of an individual can support this particular amendment, and I

simply appeal to the minister to withdraw the amendment, number one, and then come back in with another amendment deleting section (19) of the Municipal Government Act,1970.

MR. SPEAKER (Stagg): The Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, I would just like to very briefly make the one justification that I see. And I might add that the concerns raised by the honourable member have been concerns that honourable members on this side of the House have directed themselves to as well. The honourable minister has directed himself to it. But I think the honourable member opposite overlooked one fundamental point. Apart from that, I think I could accept a lot of what the honourable member said. But there is a situation here where it is not just the funds of council or the residents of a particular community that are involved, that are at stake at times and I will give you an example. If it were only the affairs of the community or the council involved, if it were only the funds raised by that particular council or the funds raised by that particular community that were involved, then the honourable member's argument would hold much more water in my opinion.

Let me give you this example. You have a councillor or councillors, and this is purely hypothetical - I do not know what the specific details are of Mr. Drover's case or I may have known. I do not recall them.- But you have a situation, say, in community "X" where a councillor or a number of councillors consistently, deliberately over a period of time use funds that have been allocated by the Department of Municipal Affairs for one purpose, use them for another purpose which may be completely acceptable to the people in the community, may be acceptable to the council but is contrary to the act, may not be acceptable to the department in terms of the department priorities in terms of what the department can authorize funds for or guarantee funds for.

Now, let us assume that that was happening and let us assume that the programme for which the funds were diverted was a very popular one in the community. Conceivably you could have the minister

having to dismiss a councillor and the councillor going out and running and getting re-elected and doing the same thing all over again. That does not -

MR. ROWE: Misappropriation of funds.

MR. BARRY: It may be misappropriation of funds. It may be misappropriation -

MR. PECKFORD: But he can still run again.

AN HON. MEMBER: Yes.

MR. BARRY: It not a misappropriation of funds in a sense of - it is not appropriation for one's own uses. In some cases it may be very difficult to prove criminal intent or anything other than negligence or recklessness. He is breaking the law in the sense of going contrary to the Department of Municipal Affairs and Housing Act.

MR. ROWE: You could take action.

MR. BARRY: Sure, you could prosecute him for the offence.

MR. PECKFORD: A fifty dollar fine!

MR. BARRY: So, he is fined fifty dollars and he goes back and he does it again and you keep going for years. The penalty set out in the offence section here says that "is guilty of offence and is where no penalties specifically provided in the act liable on summary conviction a case of first conviction a fine not exceeding fifty dollars, in subsequent offences to a fine not exceeding $100 and in neither case, in default of payment, a prison term not exceeding three months.

Anyhow what I am suggesting is that it is not just the matter of the funds of a particular community where you can say, "Well, let them go. If they are foolish enough to re-elect a person who is going to mis-manage funds that is their democratic right." It would be their democratic right if, perhaps if it were just their funds that you are talking about. But you are talking about the

funds of taxpayers of the Province generally. You are talking about the minister having a responsibility to see that these funds are spent properly and according to the law. In my opinion this section that is proposed, while it is one that had to be looked at very carefully and with a lot of consideration, is justified when you look at the fact that the funds of the taxpayer or the Province generally are involved in many of these situations.

MR. F. POWE: You know the same reason would apply to government.

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

MR. MURPHY: I do not know if Jim wants to or if -

MR. MORGAN: I was going to speak for a second.

MR. PECKFORD: He wanted my - do you want to speak for a second?

MR. MURPHY: Just for a second now.

MR. SPEAKER: The honourable Member for Bonavista South.

MR. MORGAN: Just a few words, Mr. Speaker, in rebuttal to some of the statements made by the honourable Member for St. Barbe North. I look at this bill and I see a penalty being imposed on a member of any council around the Province much more lenient than the penalty would be if the Minister of Municipal Affairs and Housing, or if it be the Governor in Council, the government in general, in this case the Governor in Council would drag an individual through the courts. If a person is dismissed from a municipality, from any local government, because of reasons that the minister feels are justified, and his actions in doing it, if the minister feels the actions of a certain individual municipality member justifys him dismissing him, then it has to be a very justified reason, like misappropriation of funds and mishandling of taxpayers funds and mishandling of grants from government whether they be federal, through LIP programmes, or special grants from the provincial government.

I would see the penalty in this way of a member being prevented from running on that same municipality, that same local government again within a two year period, a much lenient penalty than if he was taken by the minister or by government and dragged through the courts to be dealt with in that way where he and his

family would suffer the consequences of court cases against him. But, in this case, there is no minister of the Crown or any act of the Governor in Council going to dismiss a member from any municipality without a justified reason, because if he did so there would be an uprising by his fellow councillors, number one, and by the taxpayers in that community, number two.

So, it also means the protection in my view - number one point, it is a more lenient penalty on the individual, and number two, if a person is serving on a community council for example, out in Toes Arm and he is serving on a community council, if that councillor wants to get back - he is dismissed one week by the minister for misappropriation of funds, to use as an example, there are funds missing, there is an investigation by the department and the department is now - they feel that of the results of their investigation the man must be dismissed. There is a mishandling of funds. Because he is on a community council that following week after he is dismissed, if he is able to again take part in politics in that community, community level politics, because of the formation of the kind of government they have, a community council, and there is a public meeting called and at that meeting he brings in his friends and says, "Well, I am going to run again," there is nothing to stop him from getting re-elected on that town council by bringing in his friends to re-elect him because it is a community council.

Then, what do we see? We could possibly see the re-occurrence of the same thing again, which means a mishandling of the taxpayers of that community, their funds, number one, or number two, the mishandling of the taxpayers funds of the Province if grants are channelled into that same council. So, because of that we must have a protection, a protection for the taxpayers of that community, individual community, and the taxpayers of the Province.

So, these two major points I make in rebuttal to the Opposition spokesman's comments that this amendment or this bill will, number one, give a more lenient penalty to anybody who is dismissed

from council for justified reasons.and number two, it is a protection for the taxpayers in the community and indeed a protection for the taxpayers of the Province. Thank you.

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

MR. PECKFORD: Mr. Speaker, it has been a very interesting debate to say the least on the very important amendment

to The Municipal Affairs and Housing Act. First let me say, Mr. Speaker, that in theory what the honourable member for St. Barbe North says holds a fair amount of weight, in theory it holds a fair amount of weight. And I think perhaps if municipal government was developed as far in Newfoundland as it is in some of the more advanced provinces that his case would even be stronger, and in theory I think what he says has a lot of validity to it and I do not down-play it at all. But in practice in the Newfoundland situation which is what you have to look at here is where I think it falls down somewhat.

Now the first comment that I was going to make was the one already made by the honourable the Minister of Mines and Energy dealing with public funds. We are not talking about the funds, just the council here, we are not talking about just the funds that are raised by the council locally through its own efforts in a municipality, but we are talking about funds out of the public treasury which puts a somewhat different light on it.

Secondly, as the honourable member for St. Barbe North mentioned, the principle is already established in the various acts, the Local Government Act and the Municipal Affairs Act. Now, Mr. Speaker, in The Local Government Act, section sixteen, subsection "d", the council has the power to declare an office vacant if a councillor becomes indebted to the council for arrears in taxes. He cannot do that. Now to me some mechanism has to be found to have a position in council made vacant for, say, two years in this case when a councillor has been proven, not just by the minister suddenly deciding in his wisdom or lack thereof, that a council has done something wrong, but when the Auditor General, which under the act a municipal inspector has to inspect the books and indicate definitively that there has been some wrongdoing. You know in the same way as you have that power there for the council to declare a vacancy, you must also have some kind of a power when some mismanagement or misappropriation of funds occur.

Now it is interesting that the honourable member did not mention in going through the acts a section in the Local Government Act, section 52 of borrowing powers which says this, subsection (4) - subsection (2)

says this, "If without the prior approval of the minister a council uses money borrowed under section 1 for any purpose other than the purpose for which the minister approved the raising of the loan, the councillors who voted for the use of the money are personally and jointly and severally liable for the restoration of that money to the council and the council may recover the money as a civil debt due to it. And subsection (4) says, "All councillors who incur liability under subsection (2) are disqualified from holding any municipal office for two years from the time they voted for the use of the money referred to in that subsection.

MR. ROWE: Then what do you need this amendment for now?

MR. PECKFORD: Because this only deals with money that was borrowed approval to borrow from the minister for a particular specific expenditure in the municipality; approval to borrow to build a town hall, and council used it to build a swimming pool - right? Therefore they are liable and have to pay it back and also under subsection (4) of 52 they are disqualified from holding any municipal office for two years from the time they voted for the use of the money referred to in that subsection.

Now what we are trying to do here, Mr. Speaker, is because this only takes care of the situation where borrowing occurs. We could have a grant given to the council, to the municipal authority to be used for a specific purpose and they could use it for something entirely different. Right? And there is nothing in the act to prevent them right now.

MR. ROWE: Well why not have that section cover grants as well as loans?

MR. PECKFORD: Well, or any source of course. So that could take care of it if they had to put it in there.

MR. ROWE: We are going to throw in an amendment now.

MR. PECKFORD: Now, the only problem is, Mr. Speaker, and I tend to agree here that perhaps somewhere in the future we have to look at, hopefully in the next session of the House, under that

Section 20 of the Municipal Affairs and Housing Act where I have the power, or the minister has the power to dismiss, that we should more specifically define the kinds of things that he has the power to dismiss for. And, you know, right now it reads; or manage in an irregular or improper or improvident manner he may be order, in writing, dismiss and so on. Now I think perhaps that could be specified in more clear terms. But at the same time, Mr. Speaker, the act does provide that a municipal inspector must inspect the books and its an objective and thorough survey of the municipality's finances carried out. It is not as the honourable member in a number of times in his speech sort of implied that it was, you know, with some politics involved or, you know, the minister had this unilateral power where he could do it. But, you know, that is very, very unlikely, Mr. Speaker, in the sense that the municipal inspector has to do this bookkeeping survey at the municipality and which would be opened for anybody to see whether, you know, he could add his figures or not or rather there really was some mismanagement or not. I mean that is a pretty good safeguard against the minister using this power unilaterally and using it unwisely, in my opinion.

Now the honourable member mentioned why not give it to the Federation, and let them have a code of ethics. And I think somewhere down the line this could happen. Right now the Federation is not a constitued body. You know, it would take some time to develop this kind of a situation where you can do it. But I think that is the way it is going to lead, no question about it. I really believe that. I think that the Federation will, as it matures, come to the place where it can do some of these kinds of things. But as it stands right now I do not think that they are that far along. They are not a constituted body, and I think it would be very difficult to do it. Two or three years down the road I can see that this could possibly be an answer to this kind of a problem.

The honourable member mentioned why not a council have the power to dismiss somebody. And that is a very dangerous thing -

MR. ROWE: It has the power to vacate.

MR. PECKFORD: Yes vacate in certain specific instances.

But the honourable member well knows that in the politics of municipalities around this Province- you know, I get requests every day from fifteen or twenty councils all the time, where one councillor is accusing another councillor of some wrongdoing, that he has got the dump, he has got the garbage contract and he sits on the council, There is a lot of petty jealousies going on and you just could not in the Newfoundland scene right now bring in that kind of a thing giving the council the power to dismiss one of its members. Otherwise, you know, chaos would reign supreme throughout the municipal movement for quite some time, in my opinion. We are not just ready. The municipal government has not matured to that extent.

So, Mr. Speaker, I think that perhaps we have to take a closer look at the specific things that the minister can have the power to dismiss. I believe that. I believe right now this is necessary. The minister only has the power where borrowing occurs and is used for other purposes then that actually designated by the minister. So it leaves a hit loophole in the act where councils or councillors can use money, grants that come from government for other purposes other than those designated. And I think where we use these public funds we have to insure that they are spent wisely, that any dismissal that occurs from a minister only occurs after an objective analysis of the financial situation of the municipality. The Federation is not ready to,and it is not in a position at this time, in my opinion, to take on the role of getting into this field. The councils themselves are not in most cases, ninety-five per cent of the cases, mature enough to do it. For all of these reasons I believe that this amendment is necessary at this time, although I can see down the road where refinements have to be made to the act and,in essence, perhaps the Federation could come in and exert more power in this field.

MR. MURPHY: Very good, 'Brian'.

MR. SPEAKER: Is it the pleasure of the House that the said bill be now read a second time.

On motion a bill, "An Act Further To Amend The Department Of Municipal Affairs and Housing Act, 1973", read a second time, ordered referred to a Committee of the Whole House presently by leave, carried.

A bill, "An Act Further To Amend The Local Government Act, 1972", read a second time. (Bill No. 64).

MR. SPEAKER: The honourable Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, this is concurrent with the previous amendment to the Municipal Affairs and Housing Act. It is a complimentary amendment where we are doing for this act, the Local Government Act, to cover ourselves. So, both acts read the same, where a person who has been elected to a council and has been dismissed for improvident or improper behaviour will be not allowed to run for that council for a period of two years. So, it is essentially the same. We will be covering exactly the same ground. So, I move second reading.

MR. MURPHY: The Opposition unanimously supports that.

On motion second reading of a bill, "An Act Further To Amend The Local Government Act, 1972," read a second time, ordered referred to a Committee of the Whole House presently by leave.

On motion second reading of a bill, "An Act Respecting Day Care And Homemaker Services." (Bill No. 79)

MR. SPEAKER: The honourable Minister of Social Services.

MR. MURPHY: If I may in introducing this bill, I would like to say that there is nothing controversial whatever about this act. There is some controversy raging at the present time about day care centres. But this simply sets up an authority to govern the opening and operating of day care centres. Just a little background possibly for just a moment or two: Day care is a recent phenomenon in the social world and in this Province originated about two years ago when Cabinet met a group of people who called themselves the Earl Childhood Development Association who brought the Cabinet a proposal that we should look at day care in the sense of looking after children of those parents who in most cases through need had to go out and work and we had to provide a service somewhere for them.

Cabinet received this report very enthusiastically and established a departmental committee to look into the whole matter. I, as Minister of Social Services, was the minister at the time, asked to be responsible for this interdepartmental committee. The committee was composed of

Social Services, Rehabilitation and Recreation, Education, Health, Manpower and Industrial Relations, federal Manpower and Early Childhood and several other groups that were interested in this. They went into the whole matter for about a year and subsequently brought in a report on day care services. One of the recommendations was, before anything was done in a strictly legal way, that a day care act would have to be introduced.

So basically, Sir, this is the idea of this bill and if you just glance through it, and I think it is pretty well all here in explanatory notes, this would authorize an act cited as the Day Care and Homemaker Services Act. Homemaker will be a very important part of this act because of the fact that homemaker in itself is a social service where our social workers would go into homes and try to provide better services in the homes, give advice to mothers and look after older people, this type of thing. So, in this there will be a special committee set up. We will appoint a Director of Day Care and Homemaker Services. Then there will be a committee of five representing the Director of Child Welfare, a representative of the Department of Rehabilitation and Recreation, a representative of the Department of Education and a representative of the Department of Health. These five people would be appointed from various government departments. In addition, we would have the power to appoint two more people from the public at large. Who these people are, we are not prepared at this time to state because we want to look over just who is available. We have many people now, like I could mention perhaps Teach-A-Tot, various other centres that are operating and people from these groups would be perhaps the proper ones to put on to this Committee.

So, basically if we want to read this, just look through it, Sir, there is nothing whatever controversial. It just gives us the power to set up this group and following this, of course, there will be regulations drawn up like under the Social Services Act itself

that would govern the licensing of homes, what type of home is suitable for this type of thing.

So, I would ask that the House accept this act and I move that the act be read the second time.

MR. SPEAKER: The honourable Member for Fogo.

MR. BARRY: Are you the only one left over there?

CAPT. WINSOR: Amen. We have all left the ship. However, it is one of the unfortunate nights that all of my colleagues have had obligations and -

MR. BARRY: All urgent public business, I take it.

MR. WINSOR: Yes. They felt they could leave the navigating of the ship on this side to me. So, I will do my best. As this bill, Mr. Speaker, is just beginning to set up this service, day care service, I do not think there is anything controversial about it, although we hear over the radio, at least some of the women who call they seem to be a bit disturbed about it. Some of them are saying some unkind things about our good, genial minister there, deserving or not I would not care to say.

Sometimes I do not agree with some of the comments I hear. However, this is the first beginning and we have no objection, Mr. Speaker, and we means me.

MR. MURPHY: Your whole crowd is with you.

CAPT. WINSOR: All with me, yes. They have to be. They have no choice

On motion a bill, "An Act Respecting Day Care And Homemaker Services," 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 Welfare Institutions Licensing Act." (Bill No. 78)

MR. SPEAKER: The honourable Minister of Social Services.

MR. MURPHY: Mr. Speaker, if I may. This arises from the fact because of this new act, Subparagraph (v) of paragraph (f) of Section 2 will now be governed by the Day Care and Homemaker Services Act and possibly I will just - "day nursery or other similar institutions wherein children under sixteen years of age are received and cared for during a portion of the day." This was a part of the old act but this will now come under the Day Care Act so this will have to be deleted entirely and will just be covered in the new act.

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

On motion that the House resolve itself into a Committee of the Whole House on said bills. Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE:

MR. CHAIRMAN: Order !

A bill, "An Act To Amend The Constabulary Act." (No. 53)

On motion Clause (1) and Clause (2) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Registration Of Deeds Act." (No. 54)

On motion Clause (1) through Clause (5) carried.

MR. CROSBIE: I would like to move an amendment to Clause (6), Mr. Chairman, or actually the amendment is to add a Clause (6) to this bill. The Clause (6) says that: a judge of the Supreme Court on being satisfied that the omission to register a conveyance referred to in Section 33 of the Registration of Deeds Act as enacted by the act number 71 and 74 within the time required by that section as it was before the passing of this act was accidental or due to inadvertence or to some other sufficient cause, may on the application of the grantor or any person interested and on such terms or conditions as seem to be to the judge just and expedient, order that the time for registration be extended.

On motion Clause (6) as amended carried.

Motion, that the Committee report having passed the bill with some amendment, carried.

A bill, "An Act Respecting The Gander Development Corporation."

On motion Clause (1) through Clause (17) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "Act Further To Amend The City Of St. John's Act."

On motion clauses (1) through (4) carried.

MR. CHAIRMAN: Shall clause (5) carry?

MR. CROSBIE: Clause (5), Mr. Chairman, I would like to move an amendment to (5). Clause (5)c now says "a building to replace an existing building destroyed by fire," and add after that, "or an existing building dilapidated fifty per cent or more," just add those words.

On motion Clause (5) as amended carried.

MR. CHAIRMAN: Shall Clause (6) carry?

MR. CROSBIE: Mr. Chairman, the same amendment needs to be made to Clause (6)c. Add after the word fire - it says now "a building to replace an existing building destroyed by fire," and add the words, "or an existing building dilapidated fifty per cent or more."

On motion Clause (6) as amended carried.

MR. CHAIRMAN: Shall Clause (7) carry?

MR. CROSBIE: Mr. Chairman, Clause (7), section 128, the sixth line there there is a word house. It says "an inch in diameter connecting the said house to the water main." The word "house" should be deleted and the word "building" inserted, "building" instead of "house". And there is a semicolon goes there. There is a typo there which I presume you have gotten.

On motion Clause (7) as amended carried.

On motion Clause (8) through (22) carried.

Motion that the committee report having passed the bill with amendments, carried.

A bill, "An Act To Impose Taxes On Income From Mining Operations Within The Province And On Income Obtained Or Derived From Persons Holding Rights To Mine."

On motion Clause (1) through (16) carried.

MR. CHAIRMAN: Shall Clause (17) carry?

MR. CROSBIE: Clause (17), Mr. Chairman, I would like to propose an amendment to Clause (17). It would be to add a sub-clause (4) and I have the wording here for the clerk. But sub-clause (4) would say, "Where payments with a tax are remitted to the minister by the operator or contractor, trustee, agent or other person in accordance with subsection (3), section (11), interest at the rate of eight per cent for such payments for the period or periods in the day of payments to the end of the fiscal year to which they relate may be claimed as a deduction in the computation of tax payable under section (10).

On motion clause 17 as amended carried.

On motion clauses 18 through 20 carried.

MR. CROSBIE: Clause 21, the word 'for' should be inserted for the word 'of', adequate books of the accounts and records for the purpose of this Act.

On motion clause 21 as amended carried.

On motion clause 22 carried.

MR. CROSBIE: Clause 23, Mr. Chairman, I want to propose that we delete the present subclause (1) of (23) and substitute the following, "Any person who after receiving a notice of assessment under Subsection (2) of Section (17) objects to the amount of tax assessed, or considers that no tax is payable may personally or by an agent, appeal to the Board within three months after the date of posting or delivery of the notice of assessment." In other words all we are doing is changing the one month to three months.

On motion clause 23 as amended carried.

On motion clauses 24 through 28 carried.

MR. CROSBIE: Clause 29, the word 'God' should be changed.

MR. PECKFORD: What?

MR. CROSBIE: It should be 'good'.

MR. BARRY: Good God!

MR. CROSBIE: God has nothing to do with the mining tax.

On motion clause 29 as amended carried.

On motion clauses 30 through 37 carried.

Motion that the Committee rise, report having passed the bill with some amendment, carried.

A bill, "An Act To Amend The Newfoundland Engineering Profession Act." (Bill No. 72).

Motion that the Committee report having passed the bill without amendment, carried.

A bill, "An Act To Amend The Fire Prevention Act." (Bill No.68).

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Agreement Approved And Confirmed And Set Forth In The Schedule To The Bowater's Newfoundland Act, 1938, And To Make Certain Statutory Provisions Relating To That Agreement."

On motion Clause (1) through Clause (5) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act To Provide For Livestock Insurance And To Create A Livestock Owners Compensation Board."

On motion Clause (1) through Clause (4) carried.

MR. CROSBIE: Oh, 5 (5), Mr. Speaker, I missed that. We should - I move that we delete subsection (5) of section 5. That is the one that you pointed out, you know.

On motion Clause (5) as amended carried.

On motion Clause (6) through Clause (24) carried.

Motion, that the Committee report having passed the bill with some amendment, carried.

A bill, "An Act Further To Amend The Department of Municipal Affairs And Housing Act, 1973."

On motion Clause (1) and Clause (2) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Local Government Act, 1972."

On motion Clause (1) through Clause (3) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act To Amend The Welfare Institutions Licensing Act."

On motion Clause (1) through Clause (3) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Respecting Day Care And Homemaker Services."

On motion Clause (1) through Clause (24) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Motorized Snow Vehicles And All-Terrain Vehicles Act."

On motion Clauses (1) and (2) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Tourist Establishments Act."

On motion Clause (1) through (3) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Stamp Act."

On motion Clause (1) through (4) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act To Amend The Public Libraries Act."

On motion Clause (1) through (3) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Memorial University (Pensions) Act."

On motion Clause (1) and Clause (2) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Memorial University Act."

On motion Clause (1) and Clause (2) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

A bill, "An Act Further To Amend The Wild Life Act."

On motion Clause (1) through (10) carried.

Motion, that the Committee Report having passed the bill without amendment, carried.

On motion that the Committee rise, report having passed certain bills with and without amendment, and ask leave to sit again. Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed bills no. (53), (60), (72), (68), (74), (65), (64), (78), (79), (69), (73), (83), (82), (81), (87) and (58) without amendment; and having passed bills no. (54), (62), (63), and (76) with some amendment, and ask leave to sit again.

On motion report received and adopted, bills ordered read a third time presently, by leave.

On motion that the following bills be read a third time, ordered passed and title be as on the Order Paper.

A bill, "An Act To Amend The Constabulary Act."

A bill, "An Act Respecting The Gander Development Corporation."

A bill, "An Act To Amend The Newfoundland Engineering Profession Act."

A bill, "An Act To Amend The Fire Prevention Act."

A bill, "An Act Further To Amend The Agreement Approved And Confirmed And Set Forth In The Schedule To The Bowater's Newfoundland Act, 1938, And To Make Certain Statutory Provisions Relating To That Agreement."

A bill, "An Act Further To Amend The Department Of Municipal Affairs And Housing Act, 1973."

A bill, "An Act Further To Amend The Local Government Act, 1972."

A bill, "An Act To Amend The Welfare Institutions Licensing Act."

A bill, "An Act Respecting Day Care And Homemaker Services."

A bill, "An Act Further To Amend The Motorized Snow Vehicles And All-Terrain Vehicles Act."

A bill, "An Act Further To Amend The Tourist Establishments Act."

A bill, "An Act Further To Amend The Stamp Act."

A bill, "An Act To Amend The Public Libraries Act."

A bill, "An Act Further To Amend The Memorial University (Pensions) Act."

A bill, "An Act Further To Amend The Memorial University Act."

A bill, "An Act Further To Amend The Wild Life Act."

On motion amendments read a first and second time.

On motion that the following bills be read a third time, ordered passed and title be as on the Order Paper.

A bill, An Act Further To Amend The Registration Of Deeds Act."

A bill, "An Act Further To Amend The City Of St. John's Act."

A bill, "An Act To Impose Taxes On Income From Mining Operations Within The Province And On Income Obtained Or Derived From Persons Holding Rights To Mines."

A bill, "An Act To Provide For Livestock Insurance And To Create A Liverstock Owners Compensation Board."

MR. SPEAKER: Motion number (1) to be moved by the honourable Minister of Fisheries. I think we have started that one. I do not rightly remember who adjourned the debate. The honourable Minister of Justice, I think, introduced it actually. The people at the table inform me the honourable Minister of Mines and Energy adjourned that particular debate. Motion number (1).

The honourable Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, I have to confess I have been caught somewhat unawares by the aggressiveness shown by the House Leader this evening. This is the debate on the Select Committee on the Fisheries, I assume?

MR. PECKFORD: No, no!

MR. BARRY: Well, I have been misled, Mr. Speaker. I could not have adjourned that debate.

MR. SPEAKER: The honourable Minister of Justice.

MR. HICKMAN: Mr. Speaker, in closing the debate on this resolution the honourable the Leader of the Opposition in speaking to the resolution indicated his disapproval and his colleagues' disapproval of the membership of one committee only, namely the Public Accounts Committee. The tenor of the comments of the honourable the Leader of the Opposition was that he had nominated the honourable Member for Bell Island and the honourable the Member for Hermitage but that the Committee had rejected the nomination of the honourable Member for Bell Island and substituted therefore as an Opposition member the honourable the Member for St. Barbe North.

May I draw to the House's attention the fact that the Chairman of the Public Accounts Committee is the honourable the Member for Hermitage. This is in accordance with tradition rather than rule of law in that a member of the Opposition is Chairman of the Committee. It

is an excellent and very strong Public Accounts Committee consisting of the Hon. Member for Hermitage as Chairman, The other members are the Hon. Member for Bonavista South, the Hon. Member for Trinity North - and I remind the House that there was an amendment substituting that honourable gentleman in the place of the Hon. Member for St. John's South who has since moved to the front benches- the Hon. Member for Bay de Verde, the Hon. Member for St. George's, the Hon. Member for Harbour Grace, and the Hon. Member for St. Barbe North.

If that Committee does its job and does it the way it should, it will examine very carefully the Report of the Auditor General and recommendations contained therein. And it has the right to call before it any person or persons within the Public Service to explain what the Auditor General has commented on, and also the Auditor General and members of his staff.

The other committies are somewhat new, unprecedented and new in this House, as far as I am concerned - the Government Services Committee, the Social Services Committee, the Resource Committee. This is the first time that we have tried the committee system, and these three Standing Committees will have referred to them from time to time legislation that comes before the House if in the opinion of honourable members there should be a detailed examination by the three committees. The other committees, the Privilege and the Election Committees, the Standing Orders Committees and the Miscelleanous and Private Bills Committees have been in being for, I guess ever since this House was first established. And, Mr. Speaker, I have no doubt that these committees will do a great deal of work, and we will be looking with some expectation on the work of the three new committees and the Public Accounts Committee.

I was on the first, a member of the first Public Accounts Committtee that was set up when I was in Opposition. My recollection is that tradition was not followed at that time because I was not the Chairman of the Committee. We met on one occasion and decided to

retain a firm of chartered accountants and that was the last time I heard of the Committee. The Public Accounts Committee last year was under the chairmanship of the Hon. Member for Labrador North, and he complained of his inability to be able to call meetings of the Committee. Maybe we can expect, and hopefully can expect better things this year. I move the adoption of this resolution and I commend it to the support of all honourable gentlemen.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? Those in favour "Aye", those against "Nay", carried.

MR. CROSBIE: Mr. Speaker, I think the House has accomplished a great deal in the field of legislation tonight. We have seen how democracy works when it is working perfectly. And therefore I am most happy to move that the House at its rising do adjourn. The rules be done away with. That the remaining orders of the day do stand deferred and that the House at its rising do adjourn until 11:00 o'clock in the forenoon tomorrow, Friday, June 20. And I would like to thank the Hon. Member from Fogo for his diligence and co-operation here tonight.

MR. MOORES: An indulgence.

MR. SPEAKER: The Hon. Member for Fogo.

CAPT. WINSOR: Mr. Speaker, this is not always permitted, however I would like to inform the government that they should not take this to be the normal and something that they can expect in the future. Unfortunately, and I do not have to apologize for my colleagues, but unfortunately most of them had some previous appointments which they could not break for tonight. But I do appreciate the kind words of the Hon. Minister of Fisheries and the House Leader. I was very willing and happy to co-operate, Consequently we got through more legislation by having a one-man Opposition than we have done in the nineteen years that I have been sitting in this honourable House. Now I am going to be a little selfish and I will put a suggestion to the Hon. the Premier that for this good conduct that he should give serious thought and consideration to not contending Fogo district in

the next election.

MR. SPEAKER: It is moved and seconded that the House do now adjourn until tomorrow, Friday at 11:00 o'clock.

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On motion the Bills were read a third time, ordered passed and their titles to be as on the Order Paper. 7183

On motion second reading of Bill No. 63, "An Act To Impose Taxes On Income From Mining Operations Within The Province And On Income Obtained Or Derived From Persons Holding Rights To Mine." 7183

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By Leave Mr. Crosbie announced that the Director of Defence Relations in the Department of External Affairs had just informed him that the United States had officially given notice that the lease on Goose Bay would not be renewed. 7194

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Mr. Peckford 7338

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Mr. Murphy 7341

On motion Bill No. 78 read a second time, ordered referred to a Committee of the Whole House presently by leave. 7341

Orders of the Day (continued) Page

On motion the House resolved itself into a Committee of the Whole on said Bills. 7341

On motion the Committee rose and reported having passed Bills Nos. 53, 60, 72, 68, 74, 65, 64, 78, 79, 69, 73, 83, 82, 81, 87, and 58 without amendment, and Bills Nos. 54 62, 63, and 76 with some amendment. 7348

On motion the report was received and adopted, bills ordered read a third time presently by leave. 7348

On motion the following Bills were read a third time, ordered passed and their titles be as on the Order Paper:

A Bill, "An Act To Amend The Constabulary Act."

A Bill, "An Act Respecting The Gander Development Corporation."

A Bill, "An Act To Amend The Newfoundland Engineering Profession Act."

A Bill, "An Act To Amend The Fire Prevention Act."

A Bill, "An Act Further To Amend The Agreement Approved And Confirmed And Set Forth In The Schedule To The Bowater's Newfoundland Act, 1938, And To Make Certain Statutory Provisions Relating To That Agreement."

A Bill, "An Act Further To Amend The Department Of Municipal Affairs And Housing Act, 1973."

A Bill, "An Act Further To Amend The Local Government Act, 1972."

A Bill, "An Act To Amend The Welfare Institutions Licensing Act."

A Bill, "An Act Respecting Day Care And Homemaker Services."

A Bill, "An Act Further To Amend The Motorized Snow Vehicles And All-Terrain Vehicles Act."

A Bill, "An Act Further To Amend The Tourist Establishments Act."

A Bill, "An Act Further To Amend The Stamp Act."

A Bill, "An Act To Amend The Public Libraries Act."

A Bill, "An Act Further To Amend The Memorial University (Pensions) Act."

A Bill, "An Act Further To Amend The Memorial University Act."

A Bill, "An Act Further To Amend The Wild Life Act."

A Bill, "An Act Further To Amend The Registration Of Deeds Act."

A Bill, "An Act Further To Amend The City Of St. John's Act."

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A Bill, "An Act To Impose Taxes On Income From Mining Operations Within The Province And On Income Obtained Or Derived From Persons Holding Rights To Mine."

A Bill, "An Act To Provide For Livestock Insurance And To Create A Livestock Owners Compensation Board."

Motion 1 - The honourable the Minister of Fisheries to Move: That this honourable House doth concur in the Report of the Committee appointed pursuant to Standing Order B4(a) presented May 5, 1975. (Report of the Committee appointed to prepare the lists of members to compose Standing Committees of the House.) 7349

Debate continued by Mr. Hickman. 7350

On motion the motion was adopted. 7352

The House adjourned. 7353