



PROVINCE OF NEWFOUNDLAND

**THIRTY-SEVENTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND**

Volume 1

1st. Session

Number 81

VERBATIM REPORT

THURSDAY, JUNE 10, 1976

SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 2:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

PRESENTING PETITIONS

MR. SPEAKER: The hon. member for Bay of Islands.

MR. WOODROW: Mr. Speaker, I would like to present a petition on behalf of twenty-six families in the Community of Irishtown in the Bay of Islands District. And the prayer of the petition is the people urgently request the additional water line through the Community of Irishtown and I would like to say, Mr. Speaker, just to explain this a little further, that already there is a water line through the Community of Irishtown and these twenty-six families that I speak about are families who moved to Irishtown after purchasing land from Bowaters in 1973 and 1974.

So I would like, Mr. Speaker, to lay this petition on the table of the House of Assembly and hope their request be referred to the Department of Municipal Affairs.

MR. SPEAKER: The hon. member for Baie Verte - White Bay.

MR. RIDEOUT: Mr. Speaker, I am rising to support this petition on behalf of my colleagues. We would support the prayer of the petition. Water is a necessity to all people and certainly in this day and age we would support the prayer of the petition and hope that the Department of Municipal Affairs and Housing might be able to find the funds this year to provide an extension to the water line in Irishtown. We on this side of the House, Sir, support it.

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

MR. PECKFORD: Mr. Speaker, I acknowledge the tabling of the petition and when it is sent down to the Department of Municipal Affairs we will immediately have that checked out and have my engineers check it out and come up with estimates of cost and we will do everything possible to see that the

MR. PECKFORD: people of that area are provided with the water that the other people in the municipality now have.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Sneaker, it is with a heart and a half that I support the prayer of this petition from the magnificent people of Irishtown, among whom I worked many, many years ago and who were happy warriors in my campaign and who supported me and anything they want, it seems to me, they ought to get, especially as they are now represented by so gallant an hon. gentleman as the present member, my successor in that constituency.

In my humble book, my modest book, which the hon. gentleman from St. John's North (Mr. J. Carter) was so happy apparently to tell us the other day, or the other night in the House was now selling at a discount price, after being the best seller in Canada for a number of weeks, in that same modest book I tell the story of what happened to me in Irishtown with the late Michael Foley and the late Jim Penney of Corner Brook. This is when they were interrupted by the drunk down at the back of the hall. I know there are no drunks left in Irishtown but there was one drunk at that time and at the back of the hall he was making a complete nuisance of himself and Mike and Jim Penney had to give up. The next speaker was Mike Foley who tried to jolly him along and he had to give up. And then I came on and he was a little polite to me for a while and then he could not resist and he interrupted and I said, "I would like to tell the hon. gentleman the story of the little bird, the little hungry bird at dawn is sitting at the very bottom limb of this tree out in this field, wretched and cold and shivering and miserable and wondering where it was going to get its breakfast when just at that psychological moment a horse came along right under the tree and did what many a horse has been known to do before and passed on. The little bird hopped down and feasted royally on a hot warm breakfast. Then

MR. SMALLWOOD: feeling wonderful flew up to the tip top of the tree and burst forth in song at the top of its voice. Sad to say a hen hawk flying in the higher air and hearing this sound swooped down and with one fell swoop seized the little bird in his beak and made off." And the drunk was ill advised enough to mimic me and say, "Made off." I said, "Yes, made off, but what my friend is omitting is the moral of this story, and the moral of the story is that when you are full of," I cannot repeat the word here in this House, when you are full of that, it is a word with four letters beginning with the letter "s" and ending with the letter "t", when you are full of that keep your mouth shut. And that was the end of that. All that happened in Irishtown. So Irishtown is entitled to anything that a generous government and a generous Minister of Municipal Affairs, who is an outharbour man, a bay nobby himself like me, anything that he is big enough and generous enough to give to such a splendid people as the people of Irishtown.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I must say after listening to the hon. member for Twillingate (Mr. Smallwood), Sir, it brought back a feeling of nostalgia. I thought we were listening to the barrel man all over again, Sir. I say that with all due respect to the hon. -

MR. SMALLWOOD: "The Barrel Man," was a good programme.

MR. NEARY: It was a good programme and when I was listening to the hon. gentleman telling his story there it reminded me of "The Barrel Man," days and I say that with respect.

Mr. Speaker, it gives me great pleasure to fork the motion if you can do that.

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

MR. ROBERTS: Mr. Speaker, I wish to present another petition if

MR. ROBERTS: there is nobody else wishing to speak to the petition presented by the gentleman from Bay of Islands.

MR. SPEAKER: I presume there are none.

MR. ROBERTS: Mr. Speaker, this petition comes from the people of Forteau, the Labrador portion of the District of the Straits of Belle Isle and I would like to present it because these people have asked me to present it and I believe it is right and proper it should be presented but of course the point of it, Sir, is sadly, it cannot be granted as will be obviously. But the prayer of the petition, Sir, is that, "We the people of Labrador do hereby petition the Government of Newfoundland and Labrador to reconsider the proposal to construct a tunnel from the Newfoundland side of the Straits and proceed with the tunnel as previously planned equally from both sides. If there is not sufficient funds to do this we demand that it be constructed from the Labrador side." And it is signed by approximately fifty residents of the Forteau area.

The petition took a while to get to me. It is really part of a much larger petition which I presented several weeks ago before the decision to shut down the construction of the tunnel rendered the entire matter academic. The petition came to me through the kindness of the gentleman from Naskauni (Mr. Coudie) and the gentleman from Maple River (Mr. Strachan) who are operating sort of a bush telegraph in this respect and I wish to thank each of them for their kindness in presenting it to me.

The prayer of the petition, Sir, requires no comments. It is a matter of regret for us all that the prayer has been rendered completely academic and completely unrealistic by events beyond the control of the petitioners or this House, hopefully in the control of our courts. I wish to present the petition, Sir, because I believe these people have a right to have their wishes

MP. ROBERTS: known in the House. I say I do so with very real regret because I do wish that the prayer of the petition would be carried out and that the tunnel would go ahead. I present the petition, Sir.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, all we can say about the petition is to offer our deepest sympathy, to offer our condolences to the people on either side of the Straits of Belle Isle who are the victims of this cancelling of the tunnel underneath the Straits of Belle Isle. As my hon. friend, the Leader of the Opposition, indicated, the petition probably arrived a little bit late, that the tunnel project had already been cancelled out due to circumstances over which we have no control, cancelled out by lack of co-operation from the government and the authorities in the Province of Quebec. Now to add insult to injury, Mr. Speaker, that crowd are over there now running Newfie jokes on the radio stations and the television stations all day long. I think we should take steps in this Province to counter that sort of thing or maybe it is better to ignore it, I do not know.

MR. MORGAN: On the Quebec stations?

MR. NEARY: On the Quebec stations, day and night all they are doing is rehashing French Canadian jokes of ten years ago. But they seem to be carrying on a concentrated propaganda campaign now in the Province of Quebec, especially in Montreal, on the radio stations, telling Newfie jokes day and night. The people are barraged, besieged and I believe we should complain, we should put a complaint in officially from this Province to the CRTC and put a stop to it or maybe it is better to ignore it, I do not know. But certainly -

AN HON. MEMBER: Could they do something?

MR. NEARY: The CRTC would certainly intervene and put a stop to it. There are all kinds of publications being put out in the Province of Quebec, Newfie joke books and all that sort of thing. Mr. Speaker, all this is doing is just adding insult to injury and although I support the prayer of the petition, Sir, the only thing we can do at this particular moment is to offer our sympathy to all those people who will not get employment as a result of that project being cancelled this year.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: The answer for a number of questions, No. 482, 559, 504, 487 - the member for Bellevue (Mr. Callan) - and question 590, the member for LaPoile (Mr. Neary).

AN HON. MEMBER: What is that one about?

MR. HOUSE: The leasing of the regional college.

OPAL QUESTIONS:

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

MR. DOBREPTS: Thank you, Mr. Speaker. My question, Sir, would be best I would think to the House Leader, most appropriately. Perhaps if it is not appropriate for him for either his colleague, the Minister of Health or his colleague, the Minister of Manpower and Industrial Relations or the minister in the House I know are aware of the events that passed this morning at the Grace General Hospital here in St. John's and of the possibility of ramifications growing out of them. Could the minister let us know please what the position of the government is with respect to these matters and specifically what steps the government are taking to ensure that there is no interruption in the provision of hospital services, emergency and regular hospital services to the people of this city and also of the area of this Province served by the hospitals in this city.

MR. WILLS: The Minister of Manpower and Industrial Relations I think is fully conversant with this and will answer it.

MR. SPEAKER: The hon. Minister of Manpower and Industrial Relations.

MR. MAYNARD: Mr. Speaker, I think about the only thing I could say at this time is that we have been in touch with the situation all morning and in touch with both sides really of management and the union. We have not outlined anything that we could do at this particular time but we are keeping very close tabs on it and I am sure that we will take whatever action might be necessary to ensure that adequate health services are carried out. As I understand it there is no indication of any problems with the health services in any of the hospitals of this nature exactly.

AN HON. MEMBER: At the Grace, that is all.

MR. HAYWARD: Even at the Grace where the dispute is occurring the nurses and the doctors, of course, are at work. But we will consult with the Minister of Health and our other colleagues will be keeping in touch with it all day and take whatever action that we might deem necessary. We would naturally prefer not to get involved as far as the dispute itself is concerned because of the fact that it is a dispute between two parties who are not really government bodies.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, a question for the hon. Minister of Education.

MR. SMALLWOOD: This is a supplementary.

MR. NEARY: No my question is to the Minister of Education.

MR. SMALLWOOD: On the same subject?

MR. NEARY: No not on the same subject.

MR. SMALLWOOD: Do I lose my chance of a supplementary?

MR. NEARY: No you can come back to a supplementary.

MR. SMALLWOOD: I would like to ask a supplementary.

MR. SPEAKER: If the hon. gentleman for LaPoile yields?

MR. NEARY: Providing I get my turn, Sir, sure yes.

MR. SPEAKER: If the hon. gentleman for LaPoile yields then I will recognize the hon. member for Twillingate, and then you can come back.

MR. SMALLWOOD: Mr. Speaker, if the hon. gentleman does not yield, but if he does not yield now or on another occasion would I still have the right to ask a supplementary question?

MR. SPEAKER: Yes.

MR. SMALLWOOD: The question that I would like to ask is of the Minister of Justice. If some body goes to the Supreme Court and gets an injunction in the matter of picketing, and the picketing takes place but in violation of the injunction issued from the Bench or issued by the Supreme Court of the Province, and in violation of that injunction, would the minister tell the House is there then an necessary and inevitable result, that is to say, can the Court itself enforce its injunction when it is violated, if it is violated? and if not the Court can anyone and does anyone or can the matter just in the natural course of events die on the vine?

MR. SPEAKER: The hon. Minister of Justice.

HON. T. A. HICKMAN: Mr. Speaker, any application that is made to a judge of the Supreme Court for an Injunction in a dispute of this kind, indeed almost any injunction, is a civil action instituted by one of the parties alleging that there has been a breach of contract

Mr. Hickman:

and as a result of the continuing breach of contract irreparable damage will be occasioned to the plaintiff. The Court acting upon the sworn evidence that is placed before it by the party applying for the injunction can and, say in this case, did grant an injunction directly that there be no further picketing, as I understand from what I have read in the press. If in any action regardless of what the nature of the action is the person against whom the injunction is directed refuses to obey the order of the Court then there is a procedure open again to say the plaintiff to report back to the Court with a sworn evidence showing that indeed the Court order was not obeyed and the Court can then be asked and has the authority to move to direct that those who disobeyed the court order appear before the judge to show cause why they should not be cited for contempt to court. That is a civil action taken care of by the court and by the solicitors involved and the officials of the court and the bailiffs and the Office of the High Sheriff.

MR. SMALLWOOD: Mr. Speaker -

MR. SPEAKER: A supplementary?

MR. SMALLWOOD: Mr. Speaker, yes. I fully realize that the Minister of Justice of a province or of Canada is not required to give the House legal advice, I am fully aware of that. And so I am not asking for legal advice of the minister, but I am asking him for a piece of simple information. The picketing of a premises in the matter of an industrial dispute is I believe covered in the Criminal Code of Canada, which lays down how picketing may be done lawfully and what is unlawful in the matter of picketing, the numbers who may picket, how far apart they must be, what force, if any, they are permitted to use, how they may or may not forcibly prevent people going in and out of the picketed premises and so on, all laid down in the Criminal Code. If that is violated

MR. SMALLWOOD:

Is there then an inevitable and an almost automatic consequence or does that again depend on someone other than the law authorities of the Province or of the nation as the case might be taking action? Or does it depend on action being taken for example by the premises that are being picketed where there is an actual unlawful kind of picketing, the use of force or violence, prevention of entry or exit through the picket lines and so on? Where does the initiative if any lie?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: The initiative in the first instance would lie in my opinion on the part of the plaintiff who had obtained the injunction in the first instance. In this case the employer. In the matter referred to by the hon. member for Twillingate (Mr. Smallwood) with respect to the criminal code, as I recall it the code does not set forth the type of picketing, how many. It simply says that there shall be - it prohibits non-peaceful picketing which therefore becomes unlawful of the premises. In that case of course it is the responsibility of the Attorney General to enforce the Criminal Code of Canada. He has no discretion in that. But generally the first step is that.

There is a third step and that is - and we have had this situation in this Province - where on occasion a person has openly and publicly announced his or her intention of defying the courts. In that instance once since I have been Attorney General the Chief Justice, the then Chief Justice of the Province wrote and asked that I immediately initiate contempt proceedings.

MR. SMALLWOOD: Who would initiate them?

MR. HICKMAN: By me as Attorney General. That is at the request of the courts and of course a request like that could not under any circumstances be refused. So there are three but that latter one has only been used once to my knowledge in the last ten years. Generally it is a civil action and the lawyers acting for the plaintiff avail of their rights by going back to the court and reporting as to what has happened. Indeed some of our judges of late have asked

MR. HICKMAN:

When they have been issuing injunctions I am told, I have read in the press, that they wanted a report back.

MR. SMALLWOOD: A report back from?

MR. HICKMAN: From the solicitor for the plaintiff.

MR. ROBERTS: Oh, oh!

MR. HICKMAN: Well all right the solicitor or the counsel for the plaintiff. A report back as to, number one, has the injunction been served and number two, is it being obeyed.

MR. ROBERTS: The point is unless the counsel comes back in the court will not know.

MR. HICKMAN: That is right.

MR. SMALLWOOD: I did not hear what the Leader of the Opposition said.

MR. HICKMAN: The Leader of the Opposition said that unless counsel for the plaintiff comes back to the court, the court will have no way of officially knowing what happened. But in most instances counsel for the plaintiff will go back to the courts and report. Indeed, as I say, some judges have almost made it a term now of their injunction, that they want a report back as to what happened.

MR. SPEAKER: The hon. member for LaPoile, followed by the hon. member for Conception Bay.

MR. NEADY: My question is to the Minister of Education. Would the minister tell the House if it is fact or fiction that four schools in the Province this year will do away with the Grade VI public examinations?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: It is not fact or fiction. The statement in the paper this morning is the fact that for two or three years we have been talking about crediting certain schools in the Province. A lot of educators believe that, you know, you can do a better job of educating by having schools determine what evaluation procedures are going to be used. And after two or three years of study now the department in conjunction with the other educational agencies have designated four schools to

MR. HOUSE:

do a pilot project on it for the next, I believe it is two years, do
a pilot project on accreditation. That is they will not be having
public examinations in these schools in the next two years. That is
a pilot project.

MR. HOUSE: and it is in line of course with the educational thinking across the rest of Canada.

MR. NEARY: A supplementary.

MR. SPEAKER: A supplementary.

MR. NEARY: Is the minister aware that pilot projects have been conducted in other Provinces of Canada and especially in Ontario and the effects have been devastating. Would the minister tell the House -

MR. SMALLWOOD: Devastatingly good or bad.

MR. NEARY: Bad, absolutely bad and they have remedied the situation as quickly as possible before any further damage is done to the educational system but will the minister tell us in these four schools what standards, how will the school, how will the teachers determine the standards of the students who are going to graduate as compared to students in other schools who write the public examination?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, there is a committee to be set up of course the Department of Education officials, the committee with the Director of Curriculum and the Testing Division, as well as representatives from the NTA and I believe the Denominational Education Committee. They will be of course doing the same kind of checking they would be doing now if they had a standard examination. The teachers themselves, in conjunction with the committee will be determining the standards.

Right now I am sure you are aware that there are certain schools now, and certain pupils now who do not write public examinations. In the Province we have some of the schools when a pupils attains certain marks in grade eleven throughout the year he is not requested to write the public examinations and the university will accept the school's standing. But the only thing wrong with that of course is that other universities may not accept it nor will the trade schools or the other colleges. It is going to be closely scrutinized, that is the

MR. HOUSE: purpose of the pilot project, closely scrutinized by the department and the other educational agencies.

MR. NEARY: Mr. Speaker, a supplementary question.

MR. SPEAKER: A supplementary.

MR. NEARY: Does the minister think that it is wise at this particular moment, in view of the fact that only a month ago the minister told this House, much to the shock of all the people who were in listening distance, about all the 50,000 or 60,000 functional illiterates in Newfoundland. Does the minister think it is wise then, in view of the fact that we have so many functional illiterates in this Province to tinker with the system at this particular moment.

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, I do not think there is any relationship between the number of functional illiterates we have in the Province and this particular move. As I say it is only a pilot project. I am aware that there has been some abuse of this system in other parts of Canada, but they have not gone back in Ontario. I want to reflect that, to total public examinations. And of course there is nobody going to say that we are going to be doing away in the future with public examinations here. Schools will be accredited and we will still have public examinations for schools that will not receive that accreditation and they will be closely monitored and if we see it abused of course we can take away the accreditation procedures. That is when it comes into effect, if it comes into effect. This is only a pilot project and of course as I said it will be two years before we make any decision on it anyway.

MR. NEARY: A further supplementary, Sir.

MR. SPEAKER: A supplementary.

MR. NEARY: Would the minister indicate to the House whether it is the minister's officials who are taking the initiative in carrying out this pilot project or is it the bureaucrats in the school boards? Or is the initiative taken in the

MR. NEARY: minister's own department? Who is responsible for this, Sir?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: It is very difficult to determine. There is some initiative taken by the department at the request of school boards, at the request of NTA, but all the educational agencies I know in the Province have been involved in it and have made recommendations on it. There have been some - yes from the department I think there has been some initiation on this. You know we have initiated a lot of it from the department.

But we have agencies that are against it and that is the reason why we are not going all hog. We are going as we said with a pilot project and I think we should just let it go for the two years, just test it out and see how it is going to work.

MR. NEARY: Then that is two years damage you are going to do an awful lot of children you know.

MR. HOUSE: Well as I mentioned it is going to be closely monitored and I cannot see any damage. Right now we have this fifty per cent evaluation by the school and in some cases of course it is even higher than that. So I cannot foresee any damage, particularly if it is closely monitored.

MR. SPEAKER: A supplementary, the hon. member for Trinity-Bay de Verde.

MR. F. ROWE: Mr. Speaker, did I hear the minister correctly? Did he suggest that other universities, presumably the Mainland universities and the College of Trades and Technology and the vocational schools would not accept these marks from these accredited schools? This University will, I know that, Memorial University, but what about other universities and other educational institutions, nursing schools and this sort of thing?

MR. HOUSE: When they are accredited. I just said that at the present time we have a system of evaluations. Some of the schools when a pupil reaches a certain mark throughout the year in their Grade XI marks, for instance, they are not requested to write the public examination if they are planning to attend Memorial, that is different from the accreditation. The accreditation as far as I understand it would be accepted by the other universities, the trade schools and every other institution.

MR. ROWE: The nursing schools?

MR. HOUSE: Yes.

MR. ROWE: The universities across Canada?

MR. HOUSE: Right.

MR. ROWE: Is that, I mean -

MR. HOUSE: Accreditation of -

MR. ROWE: A further supplementary. Is that what the minister understands, Sir, or is that what the minister knows for sure, because there is quite a difference - I am not permitted to make a speech, Sir, so that is -

MR. HOUSE: I am pretty certain of what I say but I can check it out.

MR. ROWE: A further supplementary, Mr. Speaker. Would the minister undertake to insure this House -

MR. HOUSE: Yes.

MR. ROWE: - that these students who are going through this two year pilot project their marks will be accepted by any post-secondary

MR. ROWE:

educational institutions throughout Canada and other post-secondary educational institutions within the Province outside of the University?

AN HON. MEMBER: Sure they will.

SOME HON. MEMBERS: Oh, oh!

MR. ROWE: That is the whole point.

MR. HOUSE: I will undertake to assure it, but as I understand it the Department of Education will give the certificates, the Grade XI certificate as I understand it. Now as I say I will make sure.

MR. ROWE: Well that would do it.

MR. HOUSE: Yes.

MR. ROWE: Thank you.

MR. NEARY: Mr. Speaker, a further supplementary.

MR. SPEAKER: A further supplementary.

MR. NEARY: Would the minister indicate then what will be on the certificate, will it show the marks they get in Maths and English and that sort of thing?

MR. HOUSE: No.

MR. NEARY: Well then why do away with - that is the same thing is it not as the public examination? Why do away with it? Or are you just going to depend on the judgment of the teachers and the principal of the school?

MR. HOUSE: Right.

MR. NEARY: Mr. Speaker, it seems to me to be a very sloppy way to do it.

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: You know there has been a lot of contention about this kind of thing over the years, teachers themselves say they have been inhibited from doing a good job of teaching, and of course most educators believe that. And we cannot see why a person cannot give a Grade XI certificate if they are qualified as well as they can give a Grade X or Grade IX or anything else down the line.

MR. NEARY: Then we will have more functional illiterates than we have

Mr. Neary:

now if that is the system we are going to use.

MR. SPEAKER: I will allow one more further supplementary and then I will recognize the hon. member for Conception Bay South (Mr. Nolan). The hon. member for Trinity-Bay de Verde.

MR. ROWE: I think we are reaching the crux of the matter now, Sir. Can I ask the minister this, in the certificate that these students get, the Provincial certificate that these students get on a pilot project, will that certificate be any different from the certificate that they would get as a result of writing public examinations? Because if there is a difference that is the problem, if these certificates are the same the problem is solved.

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: I think they will be the same, but as I said -

SOME HON. MEMBER: Oh, oh!

MR. HOUSE: I think they will be the same. I think they will be issued by the department and will be the same. I just think that, I said I would get the documentation and provide it tomorrow.

MR. SPEAKER: The hon. member for Conception Bay South.

MR. ROWE: A supplementary, Mr. Speaker.

MR. SPEAKER: We have had quite a number, and time permitting we can always come back, but I think there might be hon. members who have other subjects they wish to ask questions on.

MR. NOLAN: A question, Mr. Speaker, for the Minister of Justice. In view of the fact that there would appear from all news reports to be much evidence of increased vandalism not only in St. John's but in my own district as well, what steps, if any, is the minister prepared to take and to announce to this House and to the public as to extra patrols and so on that will protect public property that is now being vandalized, damaged, stolen and so on?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: I answered that same question last week, I think the hon. gentleman was absent from the House at the time. Within the City of St. John's the Newfoundland Constabulary are implementing the booster shift system in this year which was so effective last

Mr. Hickman:

Summer which is the time of high rate of vandalism. And again for instance in the hon. gentleman's district where there has been an indication of some problems there the R.C.M.P. have been asked and will implement whatever methods are necessary to enforce and maintain law and order, and I do not like that phrase because that implies there is great disorder, but there are bound to be problems unfortunately of problems in various parts of Canada, and Newfoundland during the year, and the thing that has to be made clear to the public is that we have in Newfoundland approximately 800 police officers which must be

MR. HICKMAN:

the largest per capita of anywhere in Canada who respond very quickly and that the people will realize and that they will act as a deterrent, that their chances of apprehension are very high. And apprehended whilst the Crown has not nor should it ever have nor will it ever have the right to tell a court or a judge what a sentence should be. The crown prosecutors will and have been drawing to the attention of the court the need for sentences that act as a deterrent and we have been seeing this happening very effectively in this Province, particularly in the last year or eighteen months, to the extent that I am now faced with a housing problem in another institution.

MR. MOLAN: A supplementary, Mr. Speaker. Is the minister aware that there are certain areas where apparently vandalism and the like has dropped substantially thanks to perhaps the actions of a magistrate? I refer as an example - and I am subject to correction - the hon. Minister of Municipal Affairs area or district. I believe I heard out in that area or somewhere some member of the House told me that in some areas the magistrate had really bore down and there has been a significant drop. The question I have for the minister is this: Was the minister asked the RCMP—who have a great job I know patrolling the highways - to get back into the communities, into Foxtrap, Telligrews, Seal Cove and so on? You cannot protect Seal Cove when you are driving along Topsail Highway. That is the question.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, the RCMP have been and are involved in protecting the communities in Newfoundland at this time to an extent not hitherto known. Last year the RCMP implemented in Newfoundland a community relations programme which again has been very effective. I recall that last year or the year before last some gentleman with something less than a commendable motive came down from Toronto and did a study amongst a group of high school students in a town in Central Newfoundland and the report was not very flattering towards the RCMP. Before I had time to respond to it to my great delight the

MR. HICKMAN:

mavor of that town, the heads of the churches out there and others were on not only defending the RCMP but setting forth what is happening in Newfoundland as a result of this community involvement. One thing is - and I hope nobody here thinks that we can have an RCMP police officer on the corner of every lane and outside of everybody's house -

MR. NOLAN: Get them outside the car. Get the police outside the cars for a change.

MR. HICKMAN: Police on foot, of course we have to realize that we are now in the time when we have motor vehicles and if the people who break the law are in motor cars, it ill behooves anyone to put a man on foot to chase that motor car. He will not catch them. But I am very, very pleased with the community involvement and the success of the community involvement of the RCMP throughout Newfoundland where they are taking young people, practically every town now - who is the coach of the baseball team and the basketball team and the hockey team? An RCMP officer. Part of their programme. They get to these people and these young people understand the importance of obeying the law and this is why we have been having less trouble in these larger urban areas of the Province that come within the responsibility of the RCMP.

But whenever there is an indication that there is a particular area in Newfoundland, that there is some vandalism increase, then the RCMP receives instructions to immediately take whatever preventive measures are necessary to curb that and they have met with a great deal of success.

MR. NOLAN: A further supplementary, Mr. Speaker.

MR. SPEAKER: I will allow one further supplementary.

MR. NOLAN: The minister a moment ago referred to the fact that he is proud apparently of the number of convictions or people caught and so on. I mean is the minister aware of the fact that there are so many acts of vandalism in this Province including my own district that-as an example one home was broken into recently, a man trying to build out

MR. MOLAN:

of his hard earned money and over \$2,000 worth of good stolen which he does never expect to get back. Is he aware that people are fed up with the administration of justice and they do not even bother to report vandalism anymore in this Province? They are discouraged. Is the minister aware of that?

MR. SPEAKER: Order, please! Order, please!

I must direct the hon. gentleman to my right that

MR. SPEAKER:

the questions should not be mini speeches or even followed by a series of questions, sort of rhetorical. One can make a speech in question marks. One is not recognized during Question Period to do that.

The hon. Minister of Justice.

MR. HICKMAN: I am aware of several things. I am aware of the fact that the rate of increase in vandalism in Newfoundland is the lowest in Canada. I do not say that. That is said by the Association of Chiefs of Police of Canada who get their information from Statistics Canada. I am aware that some people do not report crimes and if they do not report crimes, if they do not report having seen the commission of crime they lose the right to complain because we have to look to citizens who are prepared to volunteer the evidence so that we can get convictions. We do not have a police state here where you can pull someone in out of suspicion and put him in court and say, "Your Honour I believe that John Jones committed an offense therefore convict him." You have to put in the witness box a person who saw it.

Now if a person who sees that offense being committed decides to look the other way when he or she is in a position to get a conviction I submit that that person abdicates his or her right to complain. But fortunately that is not the attitude of responsible citizens in Newfoundland and that is why I repeat that the conviction rate, the apprehension rate in Newfoundland is increasing all the time and I think that the sentences are realistic. But I repeat that the Crown does not have the right nor should ever have the right to influence the decision of the judge or the sentence of a judge in any way. They are totally and absolutely independent and the crown's right is the same as that of the accused.

MR. SMALLWOOD: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary? I think the hon. gentleman has asked a supplementary.

MR. SMALLWOOD: I throw myself on Your Honour's mercy. I desperately

MR. SMALLWOOD:

want to ask a supplementary question of the hon. the Attorney General. But Your Honour has ruled that he would allow no more supplementaries. May I throw myself on Your Honour's mercy and suggest that within the time limit is there really a limit on the number of supplementaries? If a matter of most urgent importance, public importance comes up, so long as any hon. member within the time limit has a supplementary to ask, if it is rational and important requiring a reply, would not Your Honour be tolerant even though, Mr. Speaker, you have ruled that you would allow only one more supplementary? This is a terribly vital matter, law enforcement in Newfoundland. It is terribly important and I desperately want to ask another supplementary, not an argumentative one but a matter of information from the Minister of Justice.

MR. SPEAKER: With respect to supplementaries, the rule is fairly general. It allows that a certain number of supplementaries - it does not specify how many - and states at the discretion of the Speaker. The rules that I use for my own guidance is number one, the general interest in the subject and also whether there appear to be other members who would desire to ask questions on other subjects. To a very large extent I have to gauge the interest of the House in that particular matter. If no hon. member takes exception - indeed there is no need for me to, I do not think, preface with that.

Certainly this is a subject in which there appears to be great interest and I will certainly recognize the hon. gentleman for a supplementary.

MR. SMALLWOOD: I am deeply grateful to Your Honour. What I wanted to ask the Minister of Justice is this. The reason I ask it is because I think almost the whole population of our Province is concerned in this question. The hon. member for Conception Bay South (Mr. Nolan) has been quoted on the radio - I am giving information now, Your Honour, rather than asking it but it is to lay the foundation for the question - wanting more local policing, and all over the Province you get that sort of thing. What I want to ask the minister is this: As between the old fashioned system we had in Newfoundland before Confederation - we would have a policeman stationed in Bay Roberts and

MR. SMALLWOOD:

you would have another one or two stationed in Carbonear and so on and they would patrol on foot and do the local police work of the place for the Province under the Newfoundland Constabulary - as between that system which had I think 200 or 300 policemen altogether in the whole

MR. SMALLWOOD: of Newfoundland at that time and the modern RCMP system of everything in motor vehicle and radar and what do you call it, talking on the radio telephone, with that modern system as between the two, is there anywhere in Canada, where the RCMP engaged by any Province, operates somewhat as our Newfoundland Constabulary used to operate when they were the Police Force of Newfoundland? Do they do that anywhere and if not is there some way of having a compromise between the old Newfoundland Constabulary system of local policemen and the modern RCMP system? Is there a compromise?

Now the whole of Newfoundland would like to have the answer to that and I am not asking it to embarrass the minister.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, to answer it may take a question fully because part of it is philosophy and part of it is based on experience. It is going to take a long time.

Firstly the RCMP, under their Provincial contracts, implement pretty much the same type of policing throughout Canada. They also operate, as they do in this Province, in some areas under a municipal contract.

MR. NOLAN: How about Corner Brook?

MR. HICKMAN: For instance in Corner Brook and Labrador City we have municipal contracts and there we have allotted, in fact in Corner Brook a great deal of foot patrol in the shopping district of that town.

MR. SMALLWOOD: A great deal of?

MR. HICKMAN: Foot patrol, similar to what the Newfoundland Constabulary do in St. John's because it is a different type of policing, policing large urban centres. In the rural areas where you have people spread out I have some grave doubts

MR. HICKMAN: whether today the man on foot in the manner in which the Newfoundland Constabulary used to perform in the twenties and early thirties, until the Commission of Government came along, with the Newfoundland Ranger Force, whether that would be effective. We cannot overlook the fact that probably the most serious crimes that are committed in Newfoundland today are committed in motor vehicles.

The impaired driver, I am bold enough to suggest, is committing a far more serious crime than the fourteen year old who throws a rock through a window, because his crime goes right to the life and safety of innocent people on the highway. The vandalism, which is a senseless act, which nobody can understand as it deals no reward to the person committing it. There is no monetary reward to -

MR. SMALLWOOD: It is psychological perhaps.

MR. HICKMAN: - the person who breaks a window or goes along and tears up public fixtures and that sort of thing. He gets nothing out of it.

MR. NOLAN: Like the swines belonging to the Rehabilitation -

MR. HICKMAN: Or they go into a playground, their own playground, put there by well meaning people to meet the needs and the demands of the youth who say, "The reason why we commit acts of vandalism is because you do not provide us with recreational facilities." And you provide the recreational facilities and the first facility that they go in and destroy, wantonly destroy are the facilities that they have been demanding.

MR. SMALLWOOD: Yes.

MR. HICKMAN: And how you rationalize that, what the reason -

MR. SMALLWOOD: Just sick depravity.

MR. HICKMAN: What the reason is I do not know. You will get a man like Mr. James McGrath, M.P., who will argue very convincingly

MR. HICKMAN: that the Board of Broadcast Governors are being very derelict in their duty with respect to the kind of television programme, programmes of violence that they allow to be shown across Canada. Whatever the reason is I do not know. Another reason may be that like it or not our young people are far more affluent today but -

MR. NOLAN: Is the minister aware that sometimes in North America they are now looking at the state paying for the vandalism?

MR. HICKMAN: I am not aware that there are places in North America, Mr. Speaker, where they are looking at the state paying for the vandalism. I am aware that in one or two states -

MR. SMALLWOOD: You mean for the damage?

MR. NOLAN: Yes. They got no other protection.

MR. HICKMAN: - in one or two states of the Union, because that would be a pretty far reaching principle. It would have to be a very wealthy state I suggest that would take on that. I would like -

MR. NOLAN: Well that is an admission of how big this thing is.

MR. HICKMAN: I would much rather see public funds going into legal aid to be perfectly frank, and into rehabilitation, etc. -

MR. NOLAN: I would like to see the people who were robbed paid back.

MR. HICKMAN: - going into rehabilitation centres and I fully appreciate, Mr. Speaker, that today in North America and Newfoundland is no exception, the pendulum is swinging to the right, the nail them and jail them philosophy is the one that is in vogue and it is becoming harder and harder and harder to convince legislators, to convince taxpayers that money should go into the rehabilitative process, to try and get these young people before it is too late on the right track so that they will not become habitual criminals.

MR. NEARY: Spare the rod and spoil the child.

MR. HICKMAN: There is no better example than in the Province of

MR. HICKMAN: Newfoundland, where the John Howard Society can go from door to door to all the merchant princes who are complaining about their windows being broken and who complain because a young boy does not get three or four years in jail for breaking a shop window and they cannot raise more than \$4,000 in the Province of Newfoundland for rehabilitation of offenders, be they hardened criminals, be they juvenile delinquents.

MR. SPEAKER: The thirty minutes has expired and even the liberal interpretation of the thirty minutes in order to give the minister an opportunity to reply.

MR. SMALLWOOD: Is that a capital L or a small L, Your Honour?

ORDERS OF THE DAY:

A bill, "An Act To Amend The Local School Tax Act."

(Bill No. 71)

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Thank you, Mr. Speaker. Had not the time for adjournment come, had we had another minutes on the clock I would have wound up my remarks on this amendment. So I will do so now. I do not wish to be repetitions. The comments and the observations I made, Mr. Speaker, I would hope that the minister will address himself to those comments and observations. For this side I would say that it is very difficult if you are categorically opposed to a bill, if you are categorically opposed to the method of collecting school taxes as witnessed today in Newfoundland by the school tax authority, then I cannot see how you can be for an amendment that simply increases the ability of the school tax authority people to collect more money. I would like the minister when he speaks to indicate the main purpose of that amendment.

It is not as he said when he made his statement that it is a tidying up piece of legislation. It is an attempt to increase the revenue of the school tax authorities and any individual in this Province who is opposed to that method of taxation because it is repressing, then I do not see how he can support the amendment. Mr. Speaker, I would hope that the minister would address himself to particularly the one where we are going to give employers the right to deduct school taxes from payroll, the abatement.

In supporting the school tax authorities one of the arguments made to defending school tax authorities and by the minister in this House, Mr. Speaker, was that it would give Newfoundland a right, it would give us a way to assess and raise school taxes from large corporations

MR. FLICHT:

that otherwise would not be taxable. I can think of one. (N I think for instance was referred to. Now we are asking to give the minister or the Department of Education or the government the power for tax abatements on large corporations. That is a little difficult to understand. Certainly one day they are justifying the school tax authorities by saying that this is the only means possible to have great corporations contribute to school taxes and a little later they are saying we need the power to have tax easements or abatements on these corporations. I would like to see the minister address himself to that particular aspect of the amendment. Mr. Speaker, that is about all I have to add or to say to the amendment.

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, I just want to say a few words on this bill. I was not here yesterday when we were debating this so I do not know what was said precisely but I just wanted to raise my dissenting voice to this bill along with that of my colleagues and suffice it to say that this party's position is well-known I am sure to the Newfoundland people with respect to school taxes. It has been well articulated and well enunciated and certainly the reasons for why we disagree with the school tax have been clearly enunciated as well.

However, Mr. Speaker, I am sure that the minister sees the necessity for this bill as was pointed out is to refine the thing to tidy up the School Tax Act. Of course it would be hypocritical for us to agree with this because our position is that, you know, how can you refine something, how can you tidy up something that should be in existence. How can you tidy up or how can you refine something that should be abolished? So, you know, our stand, as I have said, is clearly enunciated in this respect and it is certainly well known.

But on the basis of the whole situation I cannot see that the School Tax Bill here, the amendment, does anything to certainly enhance the attitude that people have towards the school taxes. There

MR. LUSH:

are two or three important things with respect to school tax that must be kept in mind for the success in collecting monies. One of course is certainly that if we are to get adequate revenues from the local taxes that the people and politicians too must feel that the burden of the taxes is distributed fairly, that it is an equitable tax and it is anything but equitable. There is nothing in this act to make sure that it is more equitable than what it now is.

Secondly of course, that everybody must be assured that everybody assessed will pay. I think maybe that there certainly are one or two things here that the minister is aiming at to achieve that. But in order for a tax to be successful that must be certainly one of the requirements that everybody assessed must pay. I am not sure that that is happening under the present set up. I am sure that there are a lot of people who are not paying. As a matter of fact I think I mentioned in this House some time ago that the St. John's tax authority was indeed having some problems collecting from business establishments. So certainly the Tax Act must ensure that everybody pays if it is to be successful.

Of course along with that idea that ways and means must be established to enforce the collection of the outstanding amounts. I see nothing in this bill that will really do that. Although - and I do want to address myself to a couple of things there with the understanding and with the preamble, of course, that we do not support any of it. But there are a couple of questions that I would like to raise, not in the order of priority.

Number three which is to permit authorities to charge interest on arrears up to twelve per cent rather than a maximum of six per cent as is presently the case. I would expect that the minister would say that this is probably an effort to make sure that everybody pays. Now I would wonder. We always seem to impose penalties. I am wondering if the school tax thing must be, why we do not give a discount for people paying up in advance. For example if a person - and I am sure the school tax authority would certainly

MR. LUSH:

appreciate this - if whatever the amount is, for example, in St. John's, if it is seventy-five dollars, why not if the person will pay up in September for the full year give him say, a ten per cent or a fifteen per cent discount instead of this thing which is a penalty.

I am not sure that that will work because people who generally are tardy on those matters I am not sure that that thing is awfully frightening to them. But anyways it does seem like a tremendous increase from six per cent to twelve per cent.

AN HON. MEMBER: One hundred per cent.

MR. LUSH: One hundred per cent, right. A question on my mind too is how is this going to be administered. Is this monthly, a monthly thing, compounded monthly, that the amount that a person owes this month there is a twelve per cent calculated onto that and that becomes the total and then next month it is twelve per cent of that total again or is it just compounded over the twelve month period?

Mr. Lush:

I would like for the minister to say whether indeed that was the method or whether the interest is compounded monthly? In other words that the amount you owe this month becomes 12 per cent that is added on, and then the next month you owe 12 per cent again another 12 per cent? This seems to be rather excessive. But again I would suggest to the minister that instead of doing this or certainly along with this there should have been the discount there for people who pay in advance much like your telephone company or your light bill or one of these that will do that sort of thing, instead of this penalty bit.

Number four, permit authorities to decide the charge payable for a tax certificate. Now I am not certain that I understand what a tax certificate is, and I am not certain what amounts of money are involved here, but I certainly disagree with anything that is so open as this clause is here. It is a blanket agreement, and open ended thing. I would much rather see a specific amount to charge up to, and I do not know, as I said before, what I am talking about here I do not know what the tax certificate is, I do not know if it is something that will cost \$10 or if it is something that will cost \$100. But whatever the reasonable cost is, if a reasonable cost for this should be let us say \$2.50 then I think that is what should be stated. But here it is giving the authorities an open ended agreement to charge what they like. So if the minister will comment on that and to enlighten me and probably my colleagues as well as to what is a tax certificate.

I think that is all the remarks that I would want to make at this point. Thank you.

MR. SPEAKER: The hon. member for St. John's North.

MR. J. CARTER: Mr. Speaker, I have a few points I would like to make on the school tax question. Basically I am in favour of this bill but I would like to make a few points. I think one of the dangers is if a school tax could become enormous if we do not watch it, if we are not careful.

MR. SMALLWOOD: Would the hon. member repeat that last part.

MR. J. CARTER: I say it is possible that the school tax could become enormous in the near future or not too distant future.

MR. SMALLWOOD: The amount.

MR. J. CARTER: The amount per person per year may very well become enormous because education is expensive, it is getting more expensive and I can see no limit to the requirements of education in this Province. Now education by its very nature be free. I do not think I need to weary the hon. members with listing all of the various ways education costs, from the cost to the individual, the school, the school board and to the government and to the various related services.

Now I fought a case in court against the school tax many years ago, I was represented by the hon. House Leader, and very effectively represented. And for the benefit of the House I will just very briefly recount the events that led up to that. The former government said all education will be free, there will be no more school fees. And then because of this hypocritical statement they were forced to bring in an act entitling the school boards to charge an assessment, so this was not a fee, it was an assessment, an assessment was not a fee. So in other words preschooling cost you \$10 a month. My question was, of course, if free schooling was \$10 a month how much would it be if you had to pay for it? Anyway the whole thing was absurd. So I took the case to court, and of course I had been charged wrongly under the wrong act, get off on a technicality and then paid my school fees. It was a political thing I frankly admitted. I would like to think that it embarrassed the former government. I hope it did. And I hope it showed an awareness of the hypocrisy of the school assessment situation. Now the School Tax Authority is an attempt to regularize this whole mess.

The Opposition have said on numerous occasions that the money for education can and should come completely from general revenues, that is to say Provincial revenues. There is a Federal grant towards education, but that is really the post-secondary education. And what

Mr. J. Carter:

we are really talking about is school from kindergarten to Grade XI. On the other hand I do think that there would not be an awareness of the educational responsibility of the community if this were to be the case, there would still be the impression that schooling was free, that government pay the bills, that the government has lots of it, there is no need to stint. So if the school tax system has any value, in my view, its value rests in pointing out the continuing cost of education to the community.

And there are just a couple of suggestions that I would like to make to the minister for his consideration. A number of us have been fortunate enough to have gone to one or two schools that we are very proud to have attended and have kept in touch with that school after graduation. I myself attended for some years St. Bonaventure's College and it was very heart warming to notice the tremendous response given to the Christian Brothers homecoming last year. What I am trying to lead up to, Mr. Speaker, is that a school can develop in a student an awareness and a love for that institution that can carry on throughout his life and that person can and frequently does contribute far beyond his requirements to that school. Now many people would like in other words to contribute to the school or the educational institution of their choice. A great many schools on the Mainland operate on the bases of endowment funds and these endowment funds are a result of tremendous contributions that have been made over a period of years, some of them by act of will, others by act of gift, and as a result these schools have a nest egg upon which they are able to draw the interest and are able to provide all sorts of extras because of this.

Now I would like to suggest that if an individual makes a donation to the school of his choice that that donation should be deductible from his school tax. I am not suggesting that anyone should try and get away with anything or get off with anything. But there are people who have a particular liking, a particular school of their choice that they would like to contribute to, and in fact

Mr. J. Carter:

do contribute to it. And I think that person should certainly get a deduction, if not 100 per cent, certainly a very large deduction from his school tax. At the same time I would like to reiterate what I started out by saying and that is there is a grave danger that the school tax may become enormous. And I hope that whatever happens it is kept in line with peoples ability to pay.

MR. SPEAKER (MR. COLLINS): The hon. Minister of Education. If the minister now speaks he closes the debate.

MR. HOUSE: Mr. Speaker, I am trying to find some of the notes that I had yesterday, some of the question that were put to me yesterday are on it. I have found of course a number of the discussions have been a little bit wide ranging. I have one comment on the fact about local taxation as raised by the member for LaPoile (Mr. Neary) yesterday, he says why are we going with local taxes when the rest of the provinces are reversing it? Of course, I am not too worried about that personally because they are not necessarily right and we are not necessarily wrong because we think perhaps local taxation is more of a democratic process.

Another question was raised there about the more than one person in a household paying the tax when they are making of course the amount of money that they have to make before they are eligible. Again of course the logic there is to me a little bit ridiculous because if three people are making three salaries in one household they can afford to pay three taxes much more than one person who is paying one.

MR. NEARY: What about the millionaire?

AN HON. MEMBER: What about yourself?

MR. HOUSE: this is one we have got to have difficulty to overcome.

Now with the rate of collection, a number of people zeroed in on this one I think, what is the rate of collection, I tried to get last night - do some research on this and I could not because the School Tax Officer is out in the districts setting up a new School Tax Authority. But what we have been finding is that the rates of collection are relatively high. I can use one I think in the Port aux Basques area. The rate there is well over ninety per cent and the one I am very familiar with in the Deer Lake area of course was something between eighty-eight and ninety. Where we are finding low takes of course, in where they were setting up new districts, and they were relatively low and of course people resisted the payment of taxes and of course it is going to take some time before they get attuned to paying them.

But the trend seemed to be that where the school tax authorities have a tradition, we have a very high rate of collection and where they are just newly formed it is low but it is improving all the time.

The cost of collection -

MR. NEARY: They have no choice.

MR. HOUSE: Well, right. The cost of collection of course it runs from ten to fifteen per cent. I did one this morning for instance Grand Falls to the Exploits Valley, which is relatively new I think, and it is going to cost about fifteen per cent for the salaries and the total collection.

Now the exemptions, I say they are reasonable. I have not got them here but you have to be making a certain amount of money before you pay it, of course. It all depends on the size of the family. If a man making a salary of course he will pay after he makes \$3,600 I believe. Then according to the size of the family it is extended and people can go up to as high

MR. HOUSE: as I believe \$5,000. I am not sure on that exact figure but the exemptions are graduated according to the size of the family and the size of the income.

Now the basic one I think in zeroing in on the gentleman from Windsor - Buchans (Mr. Flight) about the wage deduction, eighty per cent of the people paying school taxes or thereabout are paying a flat rate or a poll tax, and there is already legislation enabling wage deduction. So we are suggesting to change the wording from "poll tax" to "school tax" so that you are able to have wage deductions for people paying a property tax. There are a few communities in the Province where they are paying property tax. This will of course put everybody on an equal footing.

And the other thing it is supposed to be spread over the year, and monthly deductions. That is the way it is recommended.

With respect to the twelve per cent I am not sure if it is compounded. It say here twelve per cent per year. The reason for that is not to get more money out of the taxpayer. The reason of course is to bring it in line with what is normal to charge for arrears and all other kinds of business and the other thing I guess it is to provide a little bit of a penalty to try to speed up collection. That is the purpose of that.

Also when an authority has to resort to the courts there are costs involved there so ordinarily when you got to start charging people the interest for overdue accounts, usually court action follows. There are two or three other remarks there.

The member for Terra Nova (Mr. Lush) mentioned the tax exemption. I was trying to find the old bill here. I just, dinner hour when I was down to my office, signed a report from a school tax authority, they are able to grant

MR. HOUSE: a discount if people pay up within three months I think, at the beginning of the year. I just signed one where they are giving ten per cent discount and accounts are payable in advance.

MR. FLIGHT:

MR. HOUSE: I am not sure. I am saying I have not got the Act before me and I could not look it up but I know it is permissible because that has been done.

The tax certificate, it says that you charge one dollar. Now this is a little bit of a nebulous one. But the School Tax Authority people believe that when people go to look for tax certificates, usually it is mortgages, the School Tax Authorities feel they have got the price of that mortgage fee. They think they should be able to collect it and that would only apply basically then to mortgagers going to accounts where there is a School Tax Authority looking for a certificate and they feel that it could be a couple of dollars because it is already built in there anyway and why should they not get it. That was their rationale for it.

Now the other main one here is the clause regarding the abatement or the exemption. This came as a recommendation from the School Tax Authority which of course indicates they are very responsible. Several discussions were held on this involving the assessors and the Municipal Affairs Department and the Department of Education and the Department of Justice and they came up with this wording. Now if we do not put that in of course you are going to have a lot of discrimination because right now as it stands you are able to assess on the value of the property and obviously we know that we have got some expensive property do not make the same kind of profits as other less expensive properties.

The member for Twillingate (Mr. Smallwood) mentioned yesterday about setting a maximum. The danger of setting a maximum amount would be that it would not reflect the

MR. HOUSE: ability to pay and somebody makes a - well it does not reflect the ability to pay anyway. But there are exemptions for individuals. You know that is built there. There is no exemption built in at all for industry. So therefore we are asking for that kind of amendment.

If you start and make a maximum amount a person could pay of course, or a group could pay rather, industry, you are going to set a dangerous precedent because it may not reflect the ability to pay. And this Province I believe now repeat with these kind of exemptions. So it is felt that with the guarantee that the Lieutenant-Governor in Council has to give approval that the Tax Authority should be able to determine what an industry can pay. Of course it would be related to the income of that industry.

Mr. Chairman, I do not know if there are any other points there. I think that is about all I have to say on it. I move the second reading of this bill.

On motion a bill, "An Act To Amend The Local School Tax 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 Utilities Act." (Bill No. 63).

MR. SPEAKER: The hon. House Leader.

MR. WELLS: I will deal with this in the absence of the Minister of Justice. This is an amendment to the Public Utilities Act, Mr. Speaker, and it has certain amendments that are all set out quite fully in the explanatory note. Some of them are quite minor. There is the submission of the manual capital budget to the board by public utilities. This is so that the Public Utilities Board can be aware of the capital budget of a public utility in advance and of course will enable the board to better understand any applications or submissions which are made to the board during the year and better able to deal with it. It is a case of providing additional information in

MR. ROUSE: advance really to the Public Utilities Board.

An important clause is the use of utility poles by other persons and corporations. The Act at the moment provides only for the use of poles by other public utilities. I will deal with that section. Specifically it is section 2 of the Act of this amendment which refers to subsection (15) of the parent act. It says, "Every public utility having conduits,

PT. UTILS:

poles, wires and like equipment shall for a reasonable compensation permit the use of the same by any other person whenever public convenience and necessity requires such use and such use will not result in any substantial detriment to the service rendered or to be rendered by the public utility owning the equipment. In other words what it really means, Mr. Speaker, is that you shall not if you are a public utility be able to adopt a dog in the manger attitude and say, you know, "That is my pole or that is my installation and nobody else no matter what the public need can be allowed to use it." So that if another party show a need that is in the public interest to use that facility and if it is prepared and can be required to pay the shot for upkeep or whatever maintenance is necessary and also if it can be shown that it does not interfere with the service provided by the utility itself, then the dog in the manger attitude would not be allowed and other persons or companies would be allowed to use the poles, wires or whatever it is for a reasonable compensation.

It deals also with approval of rules and regulations of the public utility by the board. It deals also with the granting of interim orders approving a schedule of rates prior to a final decision of the board. But if the final decision turns out to be something different then if there were extra monies collected, they can be refunded or held in a trust account pending final decision, if the interim order granted a rate increase of any kind which was higher than the final order.

Then it deals with the adding of an allowance for the construction costs of an uncompleted plant to the calculation of a rate base. This is essentially a mathematical thing, Mr. Speaker, which would have to be proven and shown before the Public Utilities Board. It deals also with complaints made by the Newfoundland and Labrador Federation of Municipalities in respect of rates and service. Because of the changing of the Court of Appeal and the Trial Division reference now has to be made to the Court of Appeal in the appropriate places in the act. And the Trial Division also

MR. UTILE:

because matters can be appealed up through the system of appeals and these amendments are made necessary by the new system with courts.

Then there is the continued operation of the order of the board notwithstanding an appeal. In other words until the appeal is finally dealt with, an order of the Public Utilities Board would continue to apply. After the appeal was dealt with then of course it is changed or whatever.

So these are provisions, Mr. Speaker, which it is hoped will make the whole operation of the Public Utilities Board more viable insofar as they apply to public utilities. There is no question that it brings public utilities which are providing light and services to the communities more under the control of the Public Utilities Board. It is hoped and expected that these amendments will lead to an improvement in the service provided both by utilities and the degree of control provided by the board itself.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEAVE: Mr. Speaker, first of all let me say straight away that Public Utilities Boards are nothing more in most provinces than merely a rubber stamp. Even though you may have good men on the Public Utilities Board, right across Canada people are beginning to rebel against regulatory bodies like the Public Utilities Board. They feel the dice are loaded against the people. The cards are stacked. Now we are bringing in more amendments to provide wider powers for the Public Utilities Board. I know, Mr. Speaker, that we have to limit our debate on this particular matter to the amendments as outlined in the explanatory note which are really sweeping changes that we are giving to the Public Utilities Board.

- If I understand the minister correctly we are now granting authority to the Public Utilities Board to make interim decisions on applications and then later hold hearings or if there should be an appeal, to hold the hearings on the appeal and so forth. So we are giving the board really wider powers than they have at the

MR. NEAPY:

present time. I was hoping, Mr. Speaker, that one of the amendments that would have been brought in - although it is not covered in this Act, it is covered in the Newfoundland Law Society Act - that is an amendment whereby any ordinary Newfoundlander, any Newfoundlander who has his sanity and a little bit of common sense would be able to appear before the Public Utilities Board and represent a group. For instance if a president of a union or if a union wanted some representative, some delegate, their international representative to appear before the Public Utilities Board they should be able to do so. But under the Newfoundland Law Society Act they are barred, not only unions but any organization is barred from being represented before the Public Utilities Board by all people other than lawyers.

In order to appear before and make representation on behalf of a group before the Public Utilities Board you have to be a lawyer because the Public Utilities Board is considered to be a semi quasi judicial body.

MR. WELLS: Would the hon. member permit a question?

MR. NEAPY: Yes.

MR. WELLS: When Mr. John Peddle wanted to represent, was he not allowed in the end to represent someone? I think he was, was he not?

MR. NEAPY: Well, Mr. Speaker, I was there the day that the hon. Civil Lewis who was representing the CN, Canadian National - this was in connection with the application for that increase in the bus fares across this Province - when Mr. Lewis objected to Mr. Peddle representing a consumers group in this Province on the basis that this was a quasi judicial body and under the Newfoundland Law Society Act Mr. Peddle had no right to speak on behalf of this group. Well everybody in the room that morning was completely shocked. I know I was. I could not believe that there was such a statute, there was such a law on the statutes of this Province. But I came back to Confederation

MR. NEARY:

Building right away and I got the Newfoundland Law Society Act and sure enough there it was.

AN HON. MEMBER: Is the hon. member not the member who pointed out the section to you?

MR. NEARY: Who pointed out the section to me? I would not be a bit surprised but it was the hon. member. I would not be a bit surprised. I believe he did. Yes because I am not -

MR. SMALLWOOD: Are we now talking, Mr. Speaker, of these two inseparable hon. members, each the others strongest admirers.

MR. NEARY: Despite the fact that we may have our disagreements, Mr. Speaker, the hon. gentleman and I get along all right. We are both -

MR. SMALLWOOD: That is good to hear.

MR. SPEAKER: Order, please!

MR. NEARY: We are both elected representatives of this House, Sir, and -

MR. SMALLWOOD: Except for an occasional court case.

MR. NEARY: - I do not think we should allow our personal differences to come in on the floor of the House.

AN HON. MEMBER: Of course not.

MR. NEARY: I am not that narrowminded, Mr. Speaker. I do not know about the hon. gentleman.

MR. SMALLWOOD: The hon. minister is not, he is not.

MR. NEARY: No, Sir, I am not that narrowminded. One thing I am almost like the Premier, I am not a vindictive man. I never hold anything against anybody. That is probably one of my weaknesses.

MR. SMALLWOOD: More than seven or eight years.

MR. NEARY: Sometimes I am too soft. Sometimes I wonder if the hon. Premier -

MR. SMALLWOOD: Especially with the Minister of Finance.

MR. NEARY: - is not too soft sometimes with some of the people in his backbenches who get up and provide the opposition. The opposition should be coming from this side of the House. Maybe if the hon. Premier

Mr. NEARY:

had a few extra members he might do this. But the hon. gentleman and I did discuss it and the hon. gentleman pointed out to me that this was the section of the Act that he thought applied and sure enough it was. But as it happened the Chairman of the Board allowed Mr. Peddle to make his presentation. He need not have done that, if Mr. Lewis had insisted on his rights, on CN's rights, on the rights that the law he enforced. And Mr. Peddle would not have been allowed to make the presentation. But I think there was a kind of a gentlemen's agreement that Mr. Lewis felt he had made his point because I believe a few years back a similar situation arose when Mr. Lewis who happened to be the solicitor for CN was on the other side of the fence and something happened when some other gentleman was there making a presentation that the point was raised and now Mr. Lewis was getting square with somebody or getting square with the board I am not sure which.

But anyway Mr. Lewis made his point. Mr. Peddle was allowed to make the presentation but only through the good graces of the legal counsel who was representing the government and representing CN. The Chairman of the Board could have said, "No." As a matter of fact under the law of this Province maybe he should have said no. The Law

Mr. Neary:

needs to be changed, and I was hoping that this would be one of the amendments that would be brought in. But, Mr. Speaker, we are providing the Board now with some pretty wide powers. The Board now can grant an interim order approving the schedule of rates prior to a final decision on the Board. Now I am not quite sure if this is a good thing or not, Sir. I think it is a very dangerous thing myself. We saw some time ago, last year, early last year how the Board can goof. Even though, Mr. Speaker, it is not a criticism of Mr. Powell, I know if the Minister of Justice now were in his seat he would get up and it would almost be like waving a red flag in front of a bull, oh condemning these fine Newfoundlanders. I am not condemning these fine Newfoundlanders, but I am condemning, the system I am attacking. Last year the Board made a decision that was wrong. They goofed. They allowed the Newfoundland Light and Power Company apart from the 15 per cent increase, back last February I believe it was some time, and then another 7.5 per cent or another 15 per cent later on. They also allowed the Newfoundland Light and Power Company a 1.5 per cent monthly increase to be carried on infinitum, indefinitely to be carried on, 1.5 per cent a month to be added on to the monthly rates compounded, 1.5 per cent added on to 1.5 per cent. And they almost started a Third World War and up to the point that I started this crusade against the high electrical rates that we have in this Province they were letting it go on and on and on and just sitting back and they knew it was wrong. They let it go on and on and finally in November the Board realized the goof, the blunder that they had made and they cancelled it for the month of November, and they cancelled it for the month of December, but every month they had to meet and take a decision of whether or not they would allow it to go on. And the excuse that they used was because of the high increase in the use of electricity in the Winter months that the 1.5 per cent was not required.

Well that is the kind of decision, Sir, that, in my opinion, makes me wonder if we are being wise now in giving the Board broader

Mr. Neary:

powers, and allowing the Board now to grant interim orders, without hearings I presume. That is what I understand from the legislation and from what the minister said. The granting of an interim order approving a schedule of rates prior to a final decision of the Board and the refunding or other disposition of excess revenues if the interim order is in excess of the rates actually approved. We are now going to give the Board, Mr. Speaker, the right to grant an interim order without even a hearing, without as much as a word or a peep out of anybody, and then the hearing will be held later on. Well once the damage is done how are you going to undo it, Sir?

If the Board in its wisdom decides to grant say Newfoundland Light and Power Company to grant an increase in rates and then six months from now the hearing is held, and then they got to go down and battle it out would not the consumer, would not the people who are in there arguing for the consumer be at a sciological disadvantage because the order had already been issued, the Board has to be proven to be wrong. The thing strikes me, Sir, as being very - maybe I am misunderstanding it but that is the reading I get from it.

MR. J. CARTER: Oh, oh!

MR. NEARY: Aw, a hig over grown galoot is not up in his savory patch today.

Mr. Speaker, another matter that concerns me very much about the Public Utilities Board, and I have attended a good many hearings in the last few years, and I must say I have not seen very many other members of the House attend the hearings of the Public Utilities Board, it would be worth their while to go down there some times, maybe some of the legal people have because they may have been down there representing groups. But it would be worthwhile to go down and see what a charade it is, what a mockery, what a farce the whole thing is. If you do not go in there with an expert you may as well hang up your hat, the case is lost before you get in there, the Board seems to be impressed with experts. They do not listen to reason or common sense. They will only look at the balance sheet, are you in the red or are you in the black or are you in the red? They look at

Mr. Neary:

the red or are you in the black or are you in the red? They look at the balance sheet, they do not delve deeply enough in my opinion into these applications to see what is the reason behind some of these applications being made, and we have one coming up that I would submit to the House is the classic example, and that is the one involving Newfoundland Light and Power Company.

Mr. Speaker, I want to say this that in my opinion the Newfoundland Light and Power Company is mismanged, is one of the grossly mismanaged companies in this Province. But you go down before the Public Utilities Board and try to argue that or try to get the Public Utilities Board to send in, say, Price Waterhouse or send in Clarkson and Gordon to see if Newfoundland Light and Power Company is mismanaged. And they will tell you that is not within their terms of reference.

I am told, Sir, that they just put in Newfoundland Light and Power Company a new centrex system that costs hundreds of thousands of dollars, that they have a fleet of 300 vehicles that before an application is made before the Public Utilities Board you can find out moose hunting, parked out in front of clubs, misused, abused, drive up the cost because we are going before the Public Utilities Board and once the application is approved then we can cut back, misuse of vehicles, using up gas and tires, out trouting, and out moose hunting. And this is an absolute fact, Sir.

MR. J. CARTER: Lay a specific charge.

MR. NEARY: I am laying a specific charge right now.

MR. J. CARTER: No the hon. member -

MR. NEARY: I am saying, Sir, that the Newfoundland Light and Power Company -

MR. J. CARTER: On a point of order, Mr. Speaker.

MR. SPEAKER (DR. COLLINS): A point of order has been raised.

MR. J. CARTER: The hon. gentleman if he is going to make wild charges and use the shelter of this Legislative Assembly to make these

Mr. J. Carter:

wild charges should at least make the charges specific, the name of the person who is driving the vehicle, or who is catching the trout, and the licence number of the vehicle, the colour, shape, size, the whole lot or else sit down.

MR. NEARY: Your Honour knows that is not a point of order.

MR. SPEAKER (DR. COLLINS): Order, please! I think that the limits of debate are quite wide in the House. I would point out to the hon. member that at this stage of the debate the principle embodied in the act is under consideration, and in this regard we are considering the principles embodied in these amendments not in the original act or in other provisions of the act. So I would ask the hon. member if he would gauge his remarks in relation to the principles of these amendments.

MR. NEARY: Thank you, Your Honour. I am dealing with an explanatory note, number four, Sir, granting of an interim order. And what I am saying is that the Public Utilities Board could if they wanted to could grant the Newfoundland Light and Power Company an interim order to increase their rates without even taking a look at whether or not Newfoundland Light and Power Company has a sloopy management, is mismanaged, whether their vehicles are being used for trouting and moose hunting, whether or not they are piling on the overtime a few months before the application is made. In other words, Mr. Speaker, to make the financial situation of the company look bad, look bad

AN HON. MEMBER:

MR. NEARY: That is not what I said, I said there is gross mismanagement and the colour of the vehicles they are using are red, green, pink, yellow, they are all colours, there are 300 of them, and they do not even have their own maintenance depot.

AN HON. MEMBER: And their names.

MR. NEARY: Mr. Speaker, I could give the hon. gentleman the names of the people, but that, Mr. Speaker, is not I do not think

Mr. Neary:

it is not relevant at this particular moment. If Mr. Templeman, is it Templeton or Templeman?

AN HON. MEMBER: Brake.

MR. NEARY: Brake? No that is the Newfoundland Telephone.

AN HON. MEMBER: I said Brake.

MR. NEARY: Mr. Templeton. If Mr. Templeton or Mr. Templeman wishes to reply why I would be glad to take him on in a public debate as I have taken on the lawyers and the car dealers and several other groups. But, Sir, the Public Utilities Board could do this under this power, under this legislation that we are given the Public Utilities Board, they could do that - and what I am saying, Sir, is that they could be con, all these things could be done if the supervisors could take on their relatives and their sons and their daughters, and I am told right now even, Mr. Speaker, in the case of the Newfoundland Light and Power Company that there are 400 essential employees working with that company, outside workers, and 600 office employees. There are more office employees than there are essential workers, people out maintaining the poles and the wires and so forth, 600 office employees. What kind of a sloopy management must they have down there. The whole thing is grossly mismanaged. And under this law we are giving the Public Utilities Board the authority to grant an interim order to a crowd like this, and then to have to go in later on and battle it out, and then even at that when you do get back before the Board for a final decision under this Act, they still will not go out and investigate the management of the company to see if they are over

MR. NEARY: managed if they are over staffed. Yet they are conning the board. The board has been conned in the past. And I have got this from my usual reliable sources. And so, Sir, I believe we are putting too much power in the hands of the Public Utilities Board and not enough in the hands of the consumer.

Recently we asked the Newfoundland Hydro if they would voluntarily appear before the Public Utilities Board. They do not have to go, if they would voluntarily go before the Public Utilities Board and submit themselves to questioning and examination by various people who wish to ask questions of the Newfoundland Hydro in connection with the recent application before the Board for an increase in electrical rates as of the - what is it the 1st. of June, or the 1st. of July, the 1st. of July. But we made no provision to give the consumer groups the wherewithal, the finances to fight the big corporations and to fight the lawyers and to fight the engineers and the experts that the company will parade in. They will keep parading them in, day in and day out, and half the information is tabled even the experts themselves do not understand it.

But I am trying to get down to the nitty gritty, Sir, the nitty gritty of it and that is the fact in my opinion of whether or not we are giving the board too much power.

I think we should be putting more power in the hands of the consumer rather than in the hands of the Public Utilities Board.

Mr. Speaker, I think that is my main objection to this particular piece of legislation. The approval of the rules and regulations of a public utility under which they provide service, the use of public utilities poles and persons. The Act presently provides only for the use of poles by other public utilities. The minister did not tell why that was -

MR. MORGAN: It has to do with cable television.

MR. NEARY: It has to do with cable television. That is what I thought so. I was just going to mention that. I presume the Board of Commissioners of Public Utilities will now have the authority to consider applications for the use of poles for instance that are used by the Newfoundland Telephone Company to carry the cable for the cable television. So that may be necessary, Mr. Speaker, I have no argument with that. But I certainly do dispute the fact that we should give this board more authority than they have at the present time. I would like to reduce their authority if I could and keep the authority where it belongs in this House and in the hands of politicians and not to try to pawn everything off on boards like the Public Utilities Board. One of these days, Mr. Speaker, I will get up and I will ask the Minister of Mines and Energy a question in this House about electrical rates and I can tell you right now I will forecast for you and make for you, make a prediction what the minister would say, the minister will say, "We had nothing to do with it. That was the Public Utilities Board. That was Mr. Clarence Powell and the members of the Public Utilities Board who are fine, outstanding, decent honourable Newfoundlanders," and that is like saying I am in favour of motherhood. I say to that hear, hear! But the hon. Minister of Mines and Energy will say, "No. We had nothing to do with it. It was done by an independent, impartial board." My eyeball.

MR. MORGAN:

MR. NEARY: Independent, impartial board is a creature of this House, answers to the Minister of Justice. And I would submit in most cases, Sir, just merely a rubber stamp. And that is all it will be in the case of this Newfoundland Hydro situation.

MR. MURPHY: Did the Tories -

MR. NEARY: It will just be like watching "The Price Is Right." You will be better off if you watch "The Price Is Right," you would spend your time better than going down wasting your time down at one of these hearings.

MR. MURPHY: Or "Here And Now."

MR. NEARY: It is a pure waste of time. The power should have been kept in this House instead of giving more power to the Board of Commissioners of Public Utilities.

MR. MURPHY: We bought that right.

MR. NEARY: Keep it in the hands of the politicians. The politicians are more sensitive to the needs of the people, because they have to answer.

MR. MURPHY: - on the other side of this House now. This was all right when he was in government but now everything is wrong. All was white then now it is all turned black. Well what happens to this type of thing?

AN HON. MEMBER: Strange.

MR. MURPHY: Strange it is. Extraordinary. How you can make a wrong thing right or a right thing wrong.

MR. NEARY: Mr. Speaker, I do not know where the hon. gentleman gets the idea that everything was right when I was on that side of the House.

MR. MURPHY: Well you agreed with everything. I did not see you once stand up and vote against it.

MR. NEARY: Everything was certainly not right.

MR. MURPHY: You scurried for the bathroom one night on a very important vote.

MR. NEARY: And what was the vote? What was the vote that I scurried to the bathroom on.

MR. MURPHY: The hospital workers, yourself and your other great labour man from Labrador City. You were missing for about a week. You went underground at two o'clock in the morning. Oh I remember it so well.

MR. NEARY: Mr. Speaker, I was one of the people who spoke. As a matter of fact one of the few who spoke against that legislation. And I was not in the House when the vote took place.

MR. MURPHY: The vote is recorded, two o'clock in the morning.

MR. NEARY: It may be recorded but the hon. gentleman will find out that I was not in the House when the vote was taken and I spoke against the legislation. But anyway, Sir, that has nothing to do with this particular bill.

Mr. Speaker, I think now the time has come when we have to take a good hard look at these regulatory bodies and if we are going to amend the Public Utilities Act, Sir, I think we should amend it in favour of the consumer and not give the Public Utilities Board, as good as they may be, and I think that Mr. Clarence Powell is a fine outstanding gentleman, competent, was an excellent Deputy Minister of Municipal Affairs. But I will tell you, Sir, in my opinion that the consumer does not have a chance before that Board, not a chance of a snowball in Hell. You have not got a chance, Sir. You go down there, you got highly paid lawyers, you have got good lawyers and you have got medium lawyers and you have got pocket size Perry Masons and you have got experts and you have got experts and you have got witnesses brought from universities on the Mainland and across Canada and whoever got the most money, that is what it amounts to, Mr. Speaker, whoever can pay out the most money for the most experts who can get up and impress the Board then that is the crowd that is going to win and I would submit to Your Honour that that is not the consumers.

CN, Newfoundland Light and Power Company, Newfoundland Telephone Company do not mind lashing it out if they think they can win their case and they do not mind conning the Board either as I suggested that the members that they do, by allowing all kinds of overtime previous to an application being made, by allowing their payrolls to be inflated before an application is made, by having 600 office employees compared to 400 men who actually do the essential work for that company. So I would submit, Your Honour, it is time that the Public Utilities Board delved a little deeper into these applications and not just look at the

MR. NEARY: balance sheet.

I have heard statements made, Mr. Speaker, by the Public Utilities Board Chairman, and representatives of the Board that the company is entitled to a fair return on its investment. A company is entitled to a fair return on its investment. Well I would like to know what kind of jargon that is and what that means. Does it mean that we are entitled to \$5 million a year profit, \$10 million a year profit, \$15 million a year profit? What do they mean and what are the terms of reference that were given the Public Utilities Board by this House? Is that the terms of reference we gave them to make sure that companies get a fair return on their investment. What is a fair return? Is it one per cent, two per cent, ten per cent? In the case of Newfoundland Light and Power Company the sky is the limit. And that is the kind of stuff, Sir, that I am objecting to and I hope that the minister can persuade me that I am wrong when the minister stands up to close this debate. But right now, Sir, the way I feel about it, unless there are things here that are absolutely essential and because of the changing times and the new technology that is coming into this Province, unless there are things that are absolutely essential I would minimize the authority of that Board. And I would bring more authority back to the House of Assembly and put it in the hands of the ministry and in the hands of the Premier. Because they have to answer on polling day, at the ballot box, the Public Utilities Board people, as good as they are, have to answer to nobody.

MR. SPEAKER: The hon. member for Trinity - Bay de Verde.

MR. ROWE: Mr. Speaker,

MR. POIT:

I am only going to say a few words on this particular bill, amendments to the Public Utilities Act and I am not going to speak in favour of these particular amendments. Much of what my friend from LaPoile (Mr. Neary) has said I would have said and he said more than I would have said and I think he knows a lot more about these particular piece of legislation than I, in fact, do. But I agree with practically every single word that he has said. Probably I would not have voiced it quite as strongly.

I would like to say at the outset that I have every respect for the chairman of that particular board. I have appeared before him as a matter of fact. We as MTAs I believe can make representation on behalf of groups or on behalf of -

AN HON MEMBER: Oh, oh!

MR. ROWE: Well that is a strange thing, Mr. Speaker, because I turned up before the Public Utilities Board on behalf of a group of my constituents and argued the case. Probably he thought I was Bill or something. But as it happened, Sir, I made a complete mess of it, blew it completely. My poor constituents were practically crying there and when the other lawyers got up to argue their cases they fell to pieces and we won because I think the chairman pitied us in this particular case. But that is not the point. It is an interesting question, Mr. Speaker, to find out whether or not MTAs can appear before the Public Utilities Board on behalf of constituents.

MR. NEARY: You can speak for yourself but not for a group.

MR. POIT: Well I was representing a group of people, Sir, and just because they walked into the office and said, "Will you come down and help me out", and I said yes. But, you know, that is beside the point. The fact of the matter is, Sir, I was subjected to the kind of thing that my friend from LaPoile (Mr. Neary) has talked about and that is this. That the consumer - you know, the Public Utilities Board is a good concept. Nobody can argue against the concept of a Public Utilities Board. Presumably a Public Utilities Board is set up

MR. ROWE:

to hear public utilities cases for say an increase in rates and anything and also to hear counter arguments. Presumably and I assume that the Public Utilities Board are fair although in some cases they may be as the member for LaPoile (Mr. Neary) said, they may be conned. I would rather use persuaded. They are persuaded sometimes by the magnitude of the argumentation presented by a group of lawyers on behalf of these public utilities whether it be the Light and Power Company or Hydro Quebec.

Now do not tell me, Mr. Speaker, that when Newfoundland and Labrador Hydro or the Telephone Company or the Light and Power Company go before the Public Utilities Board, do not tell me that they cannot present a better case, a more persuasive case, more powerful arguments than any group of consumers whether they be represented by the Newfoundland and Labrador Federation of Municipalities through a lawyer or not. I understand now that the Newfoundland and Labrador Federation of Municipalities have a case before the board and they have a lawyer. By the way I might add, Mr. Speaker, in case people think that I have some inside information here, I was looking down through the explanatory notes there a few minutes ago and I had little notes there and when I got to number six I got down see bill and I have been trying to figure out which bill, what number bill I should be seeing. As it happened it turns out I realize somewhere in the past that my brother Bill happens to be representing that particular group in the hearings before the Public Utilities Board but I have had not conversations with him whatsoever with respect to these hearings. I would like to put that point before the House because in fact I am not going to start arguing the case.

But as I said before, Sir, the concept of the Public Utilities Board has to be a good one. Now they are getting more power. Now it is not the fact that they are getting more power, particularly under that explanatory note 4, that concerns me. That is not really what concerns me. The fact is is that whether it is a Newfoundland and Labrador Federation of Municipalities represented by one lawyer say,

MR. ROWE:

I cannot see - I do not even know what the case is but supposing it is the electricity - I think it is the electricity rates, is it not? Well I am assuming that the Newfoundland and Labrador Federation of Municipalities is going before the Public Utilities Board arguing against the increase in electrical rates and they have one lawyer. Now nobody can convince me, Sir, that that one lawyer and with the aid of the members of that federation and with all the experts that he may have to go to, I find it very difficult to believe that he could put up a case that would be as strong as that that can be put up by the Newfoundland and Labrador Power Commission or whatever it is called, Newfoundland Light and Power Company.

Why do I say that, Sir? Because the Newfoundland Light and Power Company have available to them all of their engineers, all of their draftsmen, all of their accountants and all of their lawyers and all of the money they need to pump in to a battery of lawyers if necessary to represent them before the Public Utilities Board. I cannot see even with the Federation of Labour with one lawyer how they could conceivably - they might and all credit to them if they can - but I cannot see how they got a chance of a snowball in the middle of Africa of putting up a case as strong as that which can be put up by the company because the company just has all this expertise manpower, lawyers, engineers, accountants, cost analysts, everything, you name it, experienced administrators and businessmen to feed in to their lawyers and they can pay their lawyers well compared to the consumer.

Sir, although the Public Utilities Board is a good thing in concept the real problem with the functioning of it is not the composition of the board or the power of the board it is the power of the companies that go before the board and the lack of power of the consumers. Sir, it does not matter whether you are a lawyer or not. You know my friend argues a citizen, an ordinary citizen cannot even go before the board and represent a group of people.

MR. NEADY: He can only represent himself.

MR. BOWE: He can only represent himself. But even if an ordinary citizen could represent a group of people, Sir, where would that get the consumer? That individual is still going to have to face that great power of the companies and all the expertise and all the information that has been poured in to the highly paid lawyers representing the companies.

So generally speaking, Sir, however fair the Public Utilities Board is it has to listen to argumentation. And in the majority of cases the great companies are going to be more persuasive and more powerful, have more arguments, more points, more information and therefore are more likely to win their case. Now, how do we overcome this, Sir? I might be ruled out of order, Mr. Speaker, but I would appreciate a little tiny bit of latitude here because I think there is only one way to really protect the consumer before the Public Utilities Board and that is if the government through the Department of Consumer Affairs or Environment and Consumer Affairs, whatever it is called, provides consumers with either money or expertise or both.

Mr. F. Rowe:

In other words, if you are going to have a battery of engineers, lawyers, accountants, cost analysts, business administrators, commerce types, if you are going to have these people feeding the company lawyer representatives the Consumer Affairs Department of the Provincial Government I feel should be responsible for providing the consumer with the same degree of expertise. In other words, if the Newfoundland Federation of Municipalities happen to take up the case against -

MR. PECKFORD: Are they combining their forces now like the other municipalities and get used to having separate legal -

MR. ROWE: I honestly do not know the details of it.

MR. PECKFORD: Well I tell you that they are, and now they have a serviced combined effort by a number of various groups to channel all of their efforts -

MR. ROWE: Right.

MR. PECKFORD: - in this kind of a case. There is one representation before the Public Utilities -

MR. ROWE: Well that is good. That is excellent.

MR. PECKFORD: And the quality of the work that you ensue from that -

MR. ROWE: Other consumer groups, you mean?

PECKFORD: - has never occurred before.

MR. ROWE: I take it the minister means other consumer groups or other local governments or this type of thing.

MR. PECKFORD: Right! Right!

MR. ROWE: Yes, well that is a good thing, Sir, but it does not solve the problem because these groups of people do not have the wealth that the companies have, so they are still left without the expertise that I am talking about. Now what I am saying essentially is this, that it should be the government's responsibility to see to it that the consumer is provided with a replica of the type of representation that the companies, and the type of expertise the companies have working on their behalf. In other words, if the Light

Mr. Rowe:

and Power Company, and they are, are using lawyers, of course they are representing them, a group of engineers -

AN HON. MEMBER: Mr. Speaker, can we have a quorum in the House?

MR. SPEAKER: I am informed that there is a quorum.

MR. ROWE: I would like to wind up my remarks, Mr. Speaker, by saying that, you know, the concept of the Public Utilities Board is good. It is not failing necessarily because of the power, it may be failing because of the lack of power in some cases, where it is failing is the fact that the companies have too much power, too much expertise, too much money, and what the government of this Province should do to protect the consumer, and the hon. Minister of the Environment and Consumer Affairs should listen very carefully to this, should try to arrange through the various divisions of his department a mechanism or a formula whereby when any group of citizens in this Province whether they be a small group fighting the Newfoundland Light and Power Company whether they be all the municipalities in this Province, as the minister suggests a lot of groups are getting in, you can have lots of groups, Sir, but I would be willing to bet you any money that there is probably one lawyer desperately making phone calls to probably a few engineering friends, probably to a few professors of engineering up in the University, probably a few professors of Commerce, business school, business administration, and trying to put together a case. What I am saying is that for every engineer, now this may sound to be a little bit of an exaggeration, and a little bit way out, but for every engineer and every accountant and for every lawyer and for every dollar that a public utility company puts up to state its case it should be the responsibility of this government to do the same for the consumer through some fair and reasonable formula. Now I realize that this is going to cost the taxpayers money, but it may well save the taxpayers money in the cost of some of the electricity and some of the other services that we are getting, I think it would be money very well spent.

MR. MURPHY: Would the hon. member

MR. ROWE: Sure, Mr. Speaker.

MR. MURPHY: Following on that argument, and I do not see too much wrong with it, but basically I submit a request to any board for an increase in rates and I supply all this information that the hon. member refers to, now is not that board capable, are they not representing everybody -

MR. ROWE: What board?

MR. MURPHY: - in assessing whether these rates are justified, is this not the case or does it depend like on fighting for my life in a court, does it depend on the lawyer, if I can hire \$1 million as against \$100 one, is that a fact or is a jury and a judge? I am just wondering if that is what the gentleman is saying, that the board itself is not competent to adjudge on the figures submitted that the rate is justified or not, or, you know, that is the only point I am making.

MR. ROWE: No, Mr. Speaker, I am not saying that the board listens to money, you know, listens to \$1 million before it listen to \$10,000.

MR. MURPHY: No, I do not mean the money.

MR. ROWE: What I am saying is that the power of the argument of one group is directly related to the amount of money that that group has, which is namely the company. And obviously another group, say the consumer, with less money can buy, the word is not buy, or purchase is not the right word, can -

MR. MURPHY: afford.

MR. ROWE: - afford, cannot afford the say expertise and therefore they cannot present the same powerful argument as the lawyer representative of the company. I am not going to lower myself by suggesting that the Chairman of the board -

MR. MURPHY: And I did not suggest it either, you know.

MR. ROWE: Right. You know, listens to the money bags before he listens to the consumer. I am quite sure that Mr. Powell listens to the arguments as best he can. But the fact of the matter is the companies are at an extreme advantage, and the consumers are at an extreme disadvantage. And the only way of resolving the problem is if the government, you know, I am not just saying, you know, it is the government's fault and the government should do this and the government should do

MR. ROWE:

that, but the P.C. Administration is in power at the present time, we may be in power in another term, maybe? we will be, Sir, the next term -

MR. MURPHY: What makes you extremely positive?

MR. ROWE: And I hope that if I have anything to do with that particular administration, and if I happen to be in Cabinet that I will be able to persuade my Cabinet colleagues or from among the backbenches, I will be able to persuade my caucus colleagues that the Department of the Environment and Consumer Affairs should work out a mechanism or a formula so that any group of consumers in this Province can have a fair hearing, and the only way they can have a fair hearing is if they get the same, within reasonable degrees, the same amount of money and expertise as the companies do.

Now I think I have said it several different ways and I am only wasting the time of the House, Mr. Speaker, if I repeat myself, but I am sincere about that. I think the problem is not necessarily with the Public Utilities Commission and their power, but it is the lack of power of the consumer and the great power of the companies and the only person, the only group, the only institution in this Province who can help the consumer in this instance is the government of the Province and in particular the Department of Consumer Affairs. And I sincerely hope that the minister will take these words and thoughts back with him to his department and to his officials and try to figure out some sort of a formula to aid our consumers in this Province who are being chewed up by the big money companies. And the only protection they have basically is the state. Because these consumers and the various municipalities and the various consumer groups and voluntary groups do not have the money, do not have the expertise, do not have the lawyers and therefore do not have the argument before the Public Utilities Commission, and therefore they lose every single time.

MR. SPEAKER: The hon. member for St. John's East.

MR. MARSHALL: Mr. Speaker, I have a few observations to make about this bill in particular with respect to the principle of the Public Utilities Board approving the annual budgets of public utilities. This is the first purpose in section one of the amendment. My reason for speaking to this part of it is to wonder just how effective - now we need a Public Utilities Board of course to see that the rates being charged are reasonable rates - but I wonder how effective the Public Utilities Boards can be when it only really has jurisdiction over the retailer of the power and in that case not complete jurisdiction because it does not have jurisdiction over Newfoundland and Labrador Hydro Corporation.

Under section 22 of Newfoundland and Labrador Hydro Corporation it says, "Notwithstanding anything to the contrary contained in the Public Utilities Act", which is this one here, "The Board of Commission of Public Utilities constituted pursuant to that Act has not jurisdiction over the Corporation for any purpose whatsoever." So this particular amendment, Mr. Speaker, while good because it refines the power of the board to examine the capital budgets of public utilities, it does not in my view go as far as it ought to go in that I think that the Public Utilities Board ought to have similar power and similar rights with respect to Newfoundland and Labrador Hydro Corporation.

Now if you want to get a reason for it all you have to do is look at the annual report of 1975 of the Newfoundland and Labrador Hydro where it says, "Negotiations were initiated during the year with several customers regarding their future power requirements. A new sales agreement was signed with the Newfoundland Light and Power Company Limited resulting in a rate increase from six mills to nine point seven mills per kilowatt hour effective April 1, 1975 for a minimum period of twelve months." So we have an agreement then entered into between Newfoundland and Labrador Hydro and the Newfoundland Light and Power Company which in effect has caused an increase in the rates.

In the one case we are looking at the capital budget of the Newfoundland Light and Power Company and any other public utilities but

MR. MARSHALL:

this legislature has not yet seen fit to give the Public Utilities Board jurisdiction over the wholesaler of the power, Newfoundland and Labrador Hydro Corporation. I think that it should be done because these rate increases particularly in this day and age where they are causing quite a deal of concern, I do not think the public really can ever be satisfied as to the correctness of the rate or the necessity of the rate increase unless we are able to examine in the greatest detail the budget of the Newfoundland and Labrador Hydro Corporation or that is the Public Utilities Board is.

So that is the point that I wanted to make because it is a fact, for instance, that the Hydro Corporation or its predecessor from time to time sold power in the Province at a loss. I again say and as a matter of fact I believe that the reason for the selling less than cost was a political decision at the time made by the hon. gentleman in the main there opposite. So that consequently what we were doing is the public was subsidizing through taxes the power rates in the Province until they could do so no more, until we came to the end of taxing course and we had to implemented or there had to be implemented rate increases.

But instead of it being made aware of, instead of the public being aware of it—all through the years it never was aware of it and that is one of the problems which we have met now. I do not feel that there is any rationale whatsoever of leaving off Newfoundland and Labrador Hydro Corporation. It has not been satisfactorily explained to me. I know it is a crown corporation and what have you and it is owned by this House but this House does not really examine its affairs because the budget of Newfoundland and Labrador Hydro Corporation is not really brought before this House either as it ought to be. I feel the Hydro Corporation should be in no different position than the public utilities, the Light and Power, the Telephone Company and what have you with respect to the Public Utilities Board. Because the public owns the shares of the Newfoundland and Labrador Hydro they ought to report to their shareholder or the representatives of

MR. MARSHALL:

their shareholders in this House in the same way as the utility companies have to report to their own shareholders by balance sheets and what have you.

Now in conclusion, Mr. Speaker, I wonder how else can really the purpose of the board be fulfilled. It is all right to turn around and examine the books of one agency but when you do not examine, you have no power to examine the books of another agency which contributes equally to the cost of electrical rates and the increase in electrical rates in the Province, you wonder really just how effective the board can be. I think it is a matter in the public interest that Hydro Corporation be subjected to the Public Utilities Board. I mentioned it before -

MR. NEAPY: And this House.

MR. MARSHALL: I hope it will be done. And of this House. I feel that really it is in the best interests of the government as well to see that Hydro Corporation is subject to scrutiny by the board because then it will give the public the full and complete reasons as to why increases in rates have to be made from time to time. So that is the only observation I would like to make about this bill. It is a good bill but it is incomplete insofar as the bill does not extend the power to the board to examine the crown corporation, Newfoundland and Labrador Hydro Corporation.

MR. SPEAKER: The hon. member for Baie Verte-White Bay.

MR. BIDEOUT: Mr. Speaker, I believe a number of good points have been made so far on this bill this afternoon. But the one section that really concerns me, the one clause that concerns me is clause (4) and the authority embodied in that clause. The clause in essence gives the Public Utilities Board the authority to approve without any hearing for an unspecified period of time a rate increase for any public utility be it the telephone company or Newfoundland Light and Power or whatever. I would submit, Sir, that that is a very, very dangerous move on our part.

In fact what it means is that the Public Utilities Board now

Mr. BIRROTT:

has the authority to grant retroactivity to the companies. Those companies can go to the board tomorrow and if they can make a good case, the board will say, yes, Mr. Company, you can increase your rates effective today and six months later we will hold a public hearing. I say, Sir, that is not good enough. That is help out the companies unduly and I do not think we should give that type of authority to the Public Utilities Board. There is nothing in this particular clause to protect the consumer and the consumers have to be protected I would submit, Sir, as well as the companies.

The companies as far as I am concerned can bloody well wait until they go before the Public Utilities Board and after the hearings have been heard and have granted the increases, I think that is time enough for those increases to take effect. For those companies to go down before the board today and to be granted across the board increase without any hearing I would submit is wrong. There is no benefit in it for the consumer. It is good for the company. The company can go down today and get their increase and not have to worry. Then they have six months to prepare their case or whatever. You know, how long is it? There is nothing in this clause saying how long they can go without a hearing, nothing in there whatsoever. I do not think it is good enough and I plead with the government, with the Government House Leader to reconsider having this clause placed in the bill.

It certainly does nothing for the consumer. I do not see what good it is going to do for the company. That is clause (4), clause (4) which would allow the Public Utilities Board to give an increase now and have a hearing later. That is a very dangerous move I would submit, Sir. We are taking away any protection that the consumers have. We are actually giving the companies time to prepare their arguments while the increase has gone ahead. In fact I submit what it does is it provides retroactivity for the companies. They can collect their raise today and let it go on for six or eight or

MR. RIDEOUT:

ten months before the board finally approves it. That is a dangerous clause and I would ask the government House Leader to either - I do not see how they can explain it - but I would certainly ask they have another look at it. That is a very dangerous move and I do not think it is necessary.

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

The hon. Minister without Portfolio.

MR. WELLS: Mr. Speaker, there has been a lot said about this amendment. It generated more debate perhaps than one would have thought.

MR. WELLS: There seems to be an underlying feeling, and two things seem to come out of this to me, and one is that by some strange means it is possible to get electricity, because that was the example used more often, or it might be telephone service, or it might be anything, but that it is possible some how to get something for less than it costs. Now this seems to be the underlying philosophy that seems to come out. Now the one thing that we have to realize in this Province is that if we want something we are going to have to pay for it. If we want electricity, and we do want it it is one of the basic amenities now of life, we are going to have to pay for it and nobody else. The people in other provinces are not going to pay for it for us, the people in other countries are not going to pay for it for us, we are going to have to pay for it.

Now if we all want better wages, which we do, if we all want better working conditions, which we do, then the wage bill is going to go up and if people in other industries that supply wire and cable and cars and trucks and everything else, adding machines and all the other services that a big utility has to have, if they are going to get increased wages on the mainland or in the U.S., wherever these things come from, then it is going to cost more to operate a utility and we are going to have to pay. I have said this before: We are either going to have to pay for it as we buy it through the meter, or we are going to have to pay for it in our taxes, but pay for it we will and it is just as well to resign ourselves to it.

We talk about the consumer and we are all in favour of the consumer getting value for money, but it is no good to tell the consumer or imply to the consumer that he is going to get something for nothing in the way of public utilities because there is no way, Mr. Speaker, he is going to have to pay for what he gets.

Now the purpose of the Public Utilities Board is simply to prevent the Public Utility Companies from charging what they like and from making too great a rate of profit.

MR. WELLS: Now the hon. members who have spoken in the debate have talked about the rate of return. As I understand it the rate of return that is allowed by our Public Utilities Board here to the Newfoundland Light and Power or the Telephone Company, is something of the order of 15 per cent, and so it is meaningless to talk about the profit being \$5 million or the profit being \$10 million. If the investment is such that \$5 million represents 15 per cent, well the \$5 million may sound like a lot but there maybe many hundreds of millions, and in fact are hundreds of millions, invested to produce that return. Now if you cannot get a proper return on your money invested in a utility you are simply going to go - I mean, you can go down to a trust company and put it in and get ten and-a-half and not get out of bed in the morning. So if we do not allow, as a society, a proper rate of return, and the Public Utilities Board decides that, well then you are not going to get people to put their money in Newfoundland Light and Power, or Bell Telephone or anybody else like that. In fact this is the danger, one of the dangers of our society, that the investment in public utilities is now not nearly as good an investment as you can get in other areas with complete safety and no work at all.

Now one of the hon. members, I think it is the hon. the member for LaPoile (Mr. Neary), said these things should be regulated more by the politician and less by boards like the Public Utilities Board. All I can say is, God help us and God help this Province, and God help this country if more things are regulated directly by politicians. I would not want to see it. We are here in this House and we are politicians and we are all of us, susceptible to a greater or lesser degree to pressure. So if consumers or anybody else came to this House, if we had the decision to say what the rate should be, they would come in to us and knock on the door and fill the galleries and say such and such is too much and the danger would be that we would forget that in the final analysis what you get in this life has to be paid for

MR. WELLS: and we would cut down the bill, cut down the amount and say, "Oh yes, you can have it cheaper." But what would we do? We would have to turn right around and collect more taxes and subsidize it that way. So you cannot in this life, Mr. Speaker, have it coming and going, both. You cannot have your cake and eat it. If you want something you have to pay for it. Sometimes I feel that the problems in our society is that we politicians have too much control and I thank goodness for boards like the Public Utilities Board that are at least one or two steps removed from political control and get down in a common-sense atmosphere and make decisions such as this.

Now much has been made about the Public Utilities. If you have the money to hire a battery of lawyers, if you have three or four lawyers or a dozen lawyers instead of one lawyer you are going to get a better deal before the Board. I do not believe that, Mr. Speaker. I remember myself acting seven or eight years ago, I suppose, for Botwood and Bishops Falls and three or four towns in Central Newfoundland before the Public Utilities Board on rate increases. The issue there was should there be uniform rates aside from diesel outside of - do you remember that at that time there was one rate for St. John's, another rate for Corner Brook and another rate for Bishops Falls? - and it was there, and I had myself there representing these towns and they did not have a big budget, God knows, and no expert witnesses or anything else, but I argued the point and in the end the uniform rate came in for the whole of Newfoundland, outside of diesel, and it did not take a battery of experts nor it did not take a battery of lawyers. And if anybody thinks that four or five lawyers are any better than one lawyer, he is making -

AN HON. MEMBER: What about the -

MR. WELLS: I do not know, I have not been down there recently. - he is making a mistake. I think it is the quality of the representation you have not the numbers. And

MR. WELLS: as somebody said - George Bernard Shaw was it not? when he was asked about two people getting together to write a book. He said, "I do not know, I cannot see it myself. It is like three people getting together to have a baby." I do not think if you pile up lawyers and experts, I do not think necessarily that you do yourself a favour before a court or a body like the Public Utilities Board.

Now you talk about the utilities and the fact that they will get batteries of experts and expert witnesses. I do not think you can blame them for doing that. They want to get an increase, they want to present - you know we very soon come down on them like a ton of bricks, both the politicians and the consumers and members of the public, they would soon take the skin off Newfoundland Light and Power if Newfoundland Light and Power went into that Public Utilities Board without properly preparing its case. If it did not have the expertise and if it did not dot the "I's" and cross the "T's" and have everything all worked out, then Newfoundland Light and Power Company would come in for some criticism, Mr. Speaker, because it did not do its homework and it asked for an increase without backing it up. So when they come in there with a battery of experts, what else can they do and what else should they be expected to do but put forth the best evidence that they have available?

The consumer, I think, is in a slightly different position. The consumer is attacking the price increase and trying to have it reduced and pulled back. The onus is on the utility to try and show that the utility needs it. So I think that the utility is, in the normal course of things, bound to have the experts more so than the consumer. But nonetheless I think a group like the Federation of Municipalities has the resources to call expert witnesses and I believe they do call expert witnesses, or certainly I would think they would have the resources to do so. Of course, they may not it is true, but do not forget also,

MR. WELLS: Mr. Speaker, that the Board has power to have expert witnesses and the Board have competent people advising them. So I do not think, knowing the calibre of that Board and the calibre of witnesses and expertise that is available to the Board, I do not think that the utility companies are capable of doing a snow job on the Board. I really do not think so, Mr. Speaker.

Now you talk about the system and the way we in our discussions, you know, we are striving for perfection, I suppose, and that is fair enough, that is proper for our society, but whatever we do and however we set up something like the Public Utilities Board or a court or whatever, we are never going to get perfection. It is always going to be subject to the limitations of the people who operate them. And we can only hope that the appointments to a group like the Public Utilities Board are good enough or so good that they will be able to give the proper consideration to what comes before them. It is not for me to come in here in the House and praise up the Public Utilities Board, but I do think they are sound and I think Mr. Powell is a sound man. I do not want to canonize him or anything like that but I think he is a sound and effective chairman of that Board and I believe and know that the Board has access to good sound advice.-- So on the general principle of all this, Mr. Speaker, I do not think we are doing anything greatly wrong.

Now on the interim order, the ex parte order, without public hearing and notice, I recognize that

MR. WELLS: other views could be different. I am not saying that the government's view is perhaps the you know one hundred per cent, but it is the government's view that the Board ought to be able to make an interim order because it will not make an interim order on nothing. It will not be a case of the Public Utilities coming in and saying, "Look, we want an increase of "x" number of dollars a month or whatever, or per "x" mills or cents per kilowatt hour, will you make it and we will come in afterwards with our material." They come and they lay before what is called a prime facie case before the Board. And the Board studies that and if the Board thinks, "Well look, there is some reason here to make an interim order," then the Board can make it and then it is up to anybody else who is interested and the Board itself to look at it and enquire into it and do whatever is necessary to get the Board to reduce it. But the Board being a sensible, common-sensed Board is not going to jack it up to the skies in the first instance. What the Board would do surely if it has got any sense at all is give the minimum in what it would in its view be the minimum order that could be given "x" party and without the argument but on the basis of the material supplied give the minimum order to let the utility get a return on its money and in the case of two, three, four months whatever is necessary, have the hearing, get other people's views before it and if the order has to be amended then amend it. But I cannot conceive of the Public Utilities Board giving a wacking great big order that would involve a whole lot of money and subsequently having to reduce it. I rather think they would give the minimum interim order that they could possibly give in the circumstances and put themselves in a position where if the arguments justified it they might increase it later on rather than having to reduce it, but the power is there.

MR. WELLS: Now whether they will use the power sensibly or not nobody can say except we can only go on the record of the Public Utilities Board and the people in it. Now sure it is open to them to do something outrageous. It is open to any court to do something outrageous. It is open to any Legislature, it is open to anybody in this life to do something outrageous. But the record of the Public Utilities Board is such, Mr. Speaker, that I do not feel and the government does not feel that it will do something to abuse this power which is given to it and do something foolish and outrageous. If it does do not forget, Mr. Speaker, there is another session of the Legislature. The power ultimately rests here and this power can be taken away from them just as quickly or more quickly than it was given to them. So that when we give powers to boards under our system, Mr. Speaker, that power can be taken away and if there is any sign of abuse the power will be taken away. But I do not think the record of that Board is such that there will be an abuse of the power.

So, Mr. Speaker, it is like anything else in life, one takes steps to try and regulate the thing, try to put an orderly mode of handling this power situation or any utility situation in the hands of the board. And the power of the legislature is always there to change it if it is abused. But, Mr. Speaker, the government does not feel that it will be abused and we will have to only wait and see insofar as that is concerned.

With regard to people appearing before the Public Utilities Board, I think anybody is entitled to go down before the Board and make a submission for themselves and the Board. I think now has set a precedent by letting Mr. Peddle speak. The hon. member for LaPoile (Mr. Neary) was talking about this. I think we have set a precedent by letting Mr. Peddle, who is not a lawyer, appear on behalf of a group of citizens. I think the reason for this is, this business of having a

MR. WELLS: restriction on who can appear before quasi judicial bodies, that it should members of the Law Society, is this, that at least when a member of the Law Society appears, at least presumably you know he has some training, he has some sort of standard and he charges a fee for doing it, but the danger with letting people in an unrestricted sense go and appear for other people is that pretty soon, if they appear and charge nothing for doing so, then that is fair enough, it is up to the person who gets them to go and appear whether they want to take the chance on what he might say but the danger, and I think the reason for this rule, Mr. Speaker, is that if you did not have it you would have people who had no expertise, no training in anything, but if they could go then and con somebody into saying, "Let me appear for you and I will charge you a fee," then the thing would be wide open for people who did not have any knowledge about anything, as long as you could con somebody into paying you a fee for representing them before a board or anywhere else, you would be able to go and do it. I think that is the theory in the thinking behind this. But as I say I think they have set a precedent by letting Mr. Peddle speak. I do not see anything wrong with M.H.A.'s going down there and speaking, even speaking in a broad general sense on behalf of their constituents and I think a precedent has been set in that regard.

With regard to Hydro I think there is no doubt in my mind, and I think I can speak for the government in this regard, no doubt in the government's mind that the Newfoundland Hydro should have to go before the Public Utilities Board and justify its increases. Now the law does not read that way at the moment, but that is our opinion and that is our position and consequently Newfoundland

MR. WELLS: Hydro is going to submit to the Public Utilities Board in a hearing that is coming up and if they do that, that is fine and it may well be that the law will be changed in future, making it obligatory for them to appear and justify before the Board. But for the moment they are voluntarily appearing before the Board and are going to open their books and their accounts and their costs and justify the increase which they are seeking or which they have sought and which makes a component of what Newfoundland Light and Power charges.

Now to come back to Newfoundland Light and Power, the hon. member for LaPoile (Mr. Neary) says that it is a company that is not well run and it is not efficient. You know I do not suppose he knows what goes on inside that company anymore than I know what goes on inside that company. But I can only say that there is no -

MR. NEARY:

MR. WELLS: Well I do not know. See we all think we know about things. I do not know. I think it is a well run company. But I would be the first to say I have never been inside their doors except to pay my light bill and usually I send off a cheque in the mail. So I do not know whether they are well run or not but I think they are. The people in that company seem to me to be as competent as anybody else -

MR. NEARY: Too many chiefs and not enough indians.

MR. WELLS: You know that may be. I do not know whether their structure is too many chiefs, not enough indians. This is something that, Mr. Speaker, it is easy to say but it is another thing to know. I do not know but I think they have to be presumed to be a competent company until somebody shows us otherwise.

AN HON. MEMBER: The Public Utilities Board should find out.

MR. WELLS: Well I think the Public Utilities Board must have a better idea than certainly I would have because they have heard them. They appeared before them. They have had an opportunity I suppose to have an opinion on this but I would say this, Mr. Speaker, I would hate to see the day come when the Newfoundland Light and Power would be nationalized. I would really hate to see it come because I happen to be a person who believes that there is hardly anything that government can do better than private enterprise. I think whatever the faults as far as Newfoundland Light and Power are concerned, however many trucks they have and people they have and whether they are going fishing or whatever they are doing, I happen to believe that if government took them over and ran them it would end up costing the people of Newfoundland, call them taxpayers or call them utility bill payers or call them consumers, the whole deal would end up with the people of Newfoundland paying more than they are paying now and I honestly think, I do not think that government is efficient, we can try as best we like, I do not believe we will make it efficient and I think there is a much greater chance of inefficiency in a public corporation, public in the sense that it is publicly owned by a government controlled corporation than there is in a private corporation. Now somebody else may think differently. Somebody else may think that nationalization is the answer. All I can say is that the nationalization that has taken place in other countries where utilities are publicly owned has not satisfied me as one member of the public and one I hope thinking person that that is so. I think the experience of England with nationalization has been by and large not good. I do not think they have increased productivity and I think if you look at countries like West Germany and at the US where nationalization has not taken over to the extent that it has

MR. WELLS: say in England for the purpose of comparison, you see companies that are going concerns producing better and you see healthier economies and as I say I hope that we do not see the day when the government takes over that utility or the telephone company or any of these utilities.

It is interesting talking about telephone companies.

AN HON. MEMBER: Churchill Falls, do you agree with that takeover?

MR. WELLS: Churchill Falls, I hope it works. I hope it works. But I say and I make no bones about saying it -

MR. NEARY: Does the hon. minister have any doubts?

MR. WELLS: I am not a man who goes about this country advocating nationalization and I will stand or fall on that. I mean I suppose I am a Conservative. The hon. member for Twillingate (Mr. Smallwood) says there is only one in the House, I suspect when he says it he does not mean me -

MR. SMALLWOOD: No I did not say that, I said Tory.

MR. WELLS: Tory, ah there we come into a fine distinction but whatever - well I do know if I am that Tory or not but I hope that I would be recognized since I say I stand or fall on it as being a man who favours private enterprise and favours conservatism, especially in terms of public ownership.

It is interesting

MR. WELLS:

you know that in England where they have an excellent telephone system or they used to that it was nationalized, of course, some years ago and the costs went up and up and up. But there was one little place and that was the city of Hull where they did not nationalize the telephone system and I know fifteen or twenty years ago or more recently actually when the cost of a local call where they charge in England whereas we do not here, when the cost of a local call had gone up to fourpence, it was still twopence in Hull. I think now the cost of a local telephone call in most of England is up to sixpence or eightpence so that I do not believe that public ownership is the answer except in a relatively few limited cases.

MR. NOLAN: Who do not the telephone companies sell the phones? Down in the United States people buy their phones. You know the Bell Company owns most of Northern Electric if not the majority of shares.

MR. WELLS: I believe it does, yes. I do not know these things.

MR. NOLAN: But I mean this is really -

MR. WELLS: Wait now. Why must they sell phones?

MR. NOLAN: Because it is provided within the Public Utilities Act I believe.

MR. WELLS: I presume it is regulated.

MR. NOLAN: Yes but why?

MR. WELLS: Well now whether a particular clause of the Public Utilities Act regulating something like this should be changed or not I am as open as anyone. I am open for argument and discussion. Maybe they should not be allowed to do it. But I was talking on the broader principle, Mr. Speaker, of the public ownership versus private of corporations.

Now I think as long as we regulate the public utilities in Newfoundland to the point where we make them provide good service and make them provide it at reasonable rates, I think that is the essence of protection of the consumer in this regard. As long as we can do that - and I see nothing wrong or reprehensible, Mr. Speaker, in their

MR. WELLS:

remaining private companies or public companies but not public in the sense of nationalized companies.

Anyway, Mr. Speaker, there has been, I think a good debate on this subject this afternoon and I move second reading.

On motion a bill, "An Act To Amend The Public Utilities Act," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 63)

MR. SPEAKER: Before calling order 30 I will take advantage of the opportunity to inform hon. members of the two matters for which notice has been given to me for debate at five-thirty. The first notice was given by the hon. member for Trinity-Bay De Verde (Mr. Powe) rising out of a question asked to the hon. Minister without Portfolio and the subject matter is the government's policy on a regional approach to power development.

MR. POWE: I withdraw it, Mr. Speaker.

MR. SPEAKER: Withdrawn, right. That matter will not be debated.

The other matter notice was given by the hon. member for Bellevue (Mr. Callan) arising from a question asked of the hon. Minister of Municipal Affairs and Housing regarding the provision by government of proper waste disposal units, incinerators throughout the Province. So that is the one item which will be up at five-thirty.

Motion second reading of a bill, "An Act To Amend The Wildlife Act." (Bill No. 88)

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, this bill makes some changes in the existing legislation, especially to facilitate the new programme announced about a month ago. The main sections of the bill are as follows. The amendment would add the words "Lying in wait" as a definition of hunting. Now the reason for this, Mr. Speaker, is that in the past there has been the odd occasion where a hunter is found in the woods waiting with a gun while some of his comrades are out attempting to find wildlife or drive wildlife near him so that he can obviously make a kill.

MR. SMALLWOOD: They are known as the beavers.

MP. WICKERY: Yes. The definition of hunter in the present legislation is such that it does not provide for this kind of situation. There have been a couple of cases where my staff were quite sure that they were proper in taking to task those people and indeed bringing them before court because the evidence, the surrounding circumstances under which they came upon a hunter in this kind of situation clearly indicated as to just what the hunter was up to. But because of the lack of a very clear definition of what a hunter is or what hunting is or what it means in terms of the wilderness, because of the lack of a clear definition and using those two words or three words "Lying in wait" they failed to obtain a conviction. So this takes care of it now.

I want to point out, Mr. Speaker, for the benefit of hon. members that it will not follow that anyone under any circumstances will be taken and charged. This particular phrase may be enforced or used as a means of obtaining a conviction. The amendment would specify what constitute written proof under section 9 of the Act. Under section 9 of the Act, Mr. Speaker, it deals with the sale and possession of wildlife. It provides that moose or caribou meat may be held by a person who is not the holder of a license to take moose or caribou only when that person produces written proof supplied by the license holder the moose or caribou was legally taken. The amendment proposes and specifies what the written proof shall contain.

Again, Mr. Speaker, there have been instances where my staff have known full well that there had been a breach of the Act but because of the lack of clarity in the existing legislation again they failed to obtain a conviction. Clause 3 of the amendment would clarify subsections 5, 5(a), 7, 7(a) of section 11 of the act whereby the court may order the forfeiture of wildlife, firearms and ammunition. The present subsections contain words which lead to different interpretations in different courts. These subsections deal with forfeiture of items seized or suspected violations and also provide for the disposition of items seized and or forfeited.

The proposed amendment spells out more clearly the action

MR. HICKEY:

to be taken by the court and by the wildlife officer in the handling of seized and forfeited items. The new wording should not require interpretation and therefore all seizures and forfeitures should be handled in a uniform manner.

Clause 4 - this minor amendment in section 13 of the Act flows from the amendments to section 11 as set forth in clause 3. This section affects section 13 of the act, contains references to section 11. The amendment is required so that these references relate to the amendments proposed in section 11 of clause 3 of this Bill. Clause 5, this amendment would increase the fine under section 14 from a maximum of \$200 to a maximum of \$500 corresponding to the fine under section 14(a). Section 14 of the Act deals with obstruction of a wildlife officer and provides a penalty for such an offense. Section 14(a) deals with the impersonation of a wildlife officer. The latter section provides for a greater penalty than the former and it is felt that the obstruction or resisting of a wildlife officer is just as serious an offense as an act in terms of impersonation of such an officer. Therefore the maximum penalty in both sections should be the same, namely \$500.

Clause 6, Mr. Speaker, the amendment would increase the period from three years to five years during which a hunting license would be prohibited. A person after a conviction of an offense under section 17 (a) related to moose or caribou. It would

Mr. Hickey:

also provide in the case of a person who was convicted within two years of an earlier conviction for such an offence a lifetime prohibition against his or her holding a licence under the Act. And this last clause, Mr. Speaker, is probably the most significant one of all inasmuch as it reflects and makes legal the change that my statement earlier in the House when the new programme of issuing licences for big game was announced this year. And it is a very real effort to assist our limited effort in terms of wild life officers, wardens in the wilderness because we could never find enough funds to get enough of people to properly enforce the regulations so there must be other forms of assistance such as penalties and this type. And we are now unfortunately find it necessary to go to this limit to convince the hunters of this Province that we feel that life is so vital to future generations and certainly to the tourist industry as well that the species should be preserved, that poaching should be eliminated, and we are simply saying that any person should take note that if found guilty of poaching an animal this present year will be barred from obtaining a licence for five years for the first offence, if there is a second offence within two years of the first conviction will be prohibited from holding a licence forever. I move second reading.

MR. SPEAKER (MR. YOUNG): The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, obviously according to the explanatory note, Sir, this bill is to beef up the authority to the various wild life officers across the Province. I only wish that my hon. friend was the Minister of Justice, because the laws, Sir, as they relate to wild life in this Province I would say are a little more stiffer and a little more tougher than the laws relating to human beings, you can go out and wreck peoples property, destroy peoples property and the hon. Minister of Justice just burys his head in the sand, but the Minister of Tourism fortunately is not going to sit idly by and watch our wild life being poached, he is not going to see the law broken.

Mr. Neary:

Mr. Speaker, sometimes I wonder about the kind of training that the law enforcement officers, the wild life officers have, if they have any training at all. I know they are called into St. John's once or twice a year, I see the troops down around Holiday Inn, they come in and have a two or three day or a week of review, they come in and have a little session. But I wonder sometimes what kind of training they have because I had a case myself about two years ago and I do not know if the hon. minister was the Minister of Tourism at the time or not, but the hon. minister may remember the case because I took it up with the CBC Ombudsman, I call it the case of the missing testicles. And it involves a gentleman, Sir, who is an experienced hunter -

MR. DOODY:

MR. NEARY: No the CBC Ombudsman, Mr. Cooper -

MR. DOODY:

MR. NEARY: No, that was not the case of the missing testicles, but Mr. Cooper took it up for me. Mr. Cooper and Ms Macdonald one of his research workers took up this matter. This was a very, very serious matter at the time.

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: Anytime.

MR. NEARY: Mr. Speaker, it involved a gentleman who is an experienced hunter who went in the woods and he got his moose and on the way out he was stopped by a wild life officer at the gate and said now you have to prove the sex of the moose. And the gentleman who was an experienced hunter said, well now how am I going to prove it, there is nothing in the licence that specifies that I have to prove the sex of the moose, but if you want me to I will go back in the woods and bring you out the testicles.

AN HON. MEMBER: That would be a clue all right.

MR. NEARY: Yes. I would say, Sir, that would be a substantial clue, that would be more than circumstantial evidence. The gentleman volunteered to go back in the woods and find the testicles and bring them down and turn them over to the wild life officer. The wild life

Mr. Neary:

officer refused permission to the gentleman to go back in the woods and consequently or subsequently he was hauled into court in Clarendville. The gentleman had to go through tremendous cost and inconvenience and the case was thrown out of court, the -

AN HON. MEMBER: No evidence.

MR. NEARY: - the meat - No the meat was confiscated and put in a refrigeration somewhere, I do not, probably in Clarendville somewhere. And because nowhere in the licence was it shown that you had to prove the sex of the moose, that you had to produce the testicles the case was thrown out of court. But following that the department, the wild life officer who apparently was out then for revenge, the hunter gotten his dander up and the minister's department, and the deputy minister is very familiar with this case, refused to give the gentleman back his meat. And it was not until several months later and after various and sundry correspondence between myself and the gentleman involved and the minister's department and the CBC Ombudsman that the gentleman finally got his meat back, even though he had been proven innocent, acquitted in the court, the department for some reason or other, and I know they have thirty days in which to appeal the case I think it is, thirty days but it was much longer than thirty days, it was almost several months after before the gentleman got his meat.

MR. ROWE: Were there anybody fired?

MR. NEARY: No nobody was fired. And yet here was this great weakness in the licence, there was nothing in that licence, and that gentleman had been hunting for years and was experienced and knew his way around and it had not been the first moose or the first caribou that he had taken. But there was nothing in the licence to say that the gentleman had to produce the testicles, to prove the sex of that moose. And as a result of that I had a request from the CBC Ombudsman, I do not know whether they ever used it or not, but there was quite a bit of correspondence back and forth between the minister's department, the CBC Ombudsman, Mr. Cooper and myself. And they finally wrote me and asked me and the gentleman involved if we were prepared to release

Mr. Neary:

all the information to the public so that they could use this as a case on the programme right across Canada. Certainly I gave my approval, I do not know if the programme ever appeared on television but it certainly would have been an interesting case. As I say I called it the case of the missing testicles. And that is how Ms Macdonald and I when we were corresponding back and forth, Ms Macdonald is a research worker for Mr. Cooper, the CBC Ombudsman, and every time that she would write me she would mark reference, the case of the missing testicles, and I would write her back, the case of the missing testicles.

But anyway it was a serious matter. And I would like to know from the minister now if that weakness in the licence has been corrected? Because the last word that I had I just spoke briefly to Mr. Manuel, the minister's deputy, and I understood that some corrective measures were going to be taken. But perhaps the minister can tell us now if as a result of that case, which was a very interesting case, if the licence now indicates that the hunter has to prove the sex. I think there was somewhere along the line, somewhere in the regulations where it stated that you had to prove the sex of the animal, but it was not specified in the licence, and that is where the thing broke down where the weakness occurred.

And there is another matter that concerns me very much, Sir, and I was asked by the member for Eagle River (Mr. Strachan) to bring up this matter, and that is in connection with wild life management and research and enforcement of the regulations. The minister's department took a policy decision, I think, it was back in April in connection with research and management and enforcement and so forth. The minister's department took a decision that three regions on the Island of Newfoundland this year would get 175 hours of flying time by helicopters that are chartered by the government used by the minister's department.

MR. NEADY:

That would mean that the total flying time for these helicopters on the Island of Newfoundland would be 525 hours. There are three regions times 175 hours for each region would equal 525 flying hours. Whereas Labrador, Sir, where there are two regions - the minister is Mr. Inder, I presume he is the Minister of Research.

AN HON. MEMBER: He is a biologist.

MR. NEADY: He is the biologist. Mr. Inder recommended that the two regions in Labrador be combined into one region. So if you take the same formula for one region then Labrador would get 120 flying hours by helicopter. The Island of Newfoundland, 525 flying hours with these helicopters going around doing research and management. I am not sure if this includes enforcement or not. Perhaps the minister can tell me.

But anyway 120 hours for Labrador. In Labrador, Mr. Speaker, I am told by the member for Eagle River (Mr. Strachan) - and I am presenting this case on behalf of the member for Eagle River (Mr. Strachan) to the minister - that in Labrador, Sir, as compared to the Island of Newfoundland there are anywhere between 100,000 to 200,000 caribou in Labrador. On the Island of Newfoundland there are somewhere between 20,000 to 40,000 caribou. Yet the flying time for these helicopters for research and management purposes is going to be almost four times greater on the Island of Newfoundland than in Labrador where the caribou population is five times greater than on the Island of Newfoundland, actually more than five times greater.

So, Mr. Speaker, I do not know, perhaps the minister may have a good, sound explanation for it but it seems to me to be a little bit of discrimination against the area having the greatest resource and the greatest potential. If managed wisely, Sir, certainly the Labrador area has a greater potential than the Island of Newfoundland. So when the minister is winding up the debate I would like to get an explanation so that I can pass it on to the hon. member for Eagle River (Mr. Strachan) who is on the William Carson as the members of the House know on his way to Happy Valley and then back to his district. I doubt

Mr. MEADY:

if the member will be down until sometime in the Fall of the year.

But this is a directive from Mr. James C. Inder issued on April 7. I am using Mr. Inder's figures to illustrate to the minister just what is happening in connection with research and management. Now, Sir, getting back to the penalties. Sometimes - as I say I started off by saying it and I am going to end up on that note - I wonder if the law enforcement officers in this particular case, the wildlife officers are not sometimes a little bit quick, not a little bit too quick on the trigger. Sometimes they are overanxious. Sometimes they are overenthusiastic. I know a lot of instances where people have been punished and penalized and inconvenienced and dragged into court, they have to get lawyers, when the explanation is a very simple one. Sometimes it may be a little bit of an oversight on the part of the hunter that may cause him to be charged under a violation of the Wildlife Act.

Sometimes, Mr. Speaker, it is through ignorance of the law. I know a case I can give. I can tell the minister about a case and this is long before the minister became minister of that department. As a matter of fact it was when I was sitting on the government side of the House. A gentleman from Bell Island applied for a moose license and he got the moose license and he was out somewhere in Central Newfoundland and he had a van. He was in the meat business. He was a butcher in the meat business and he had a van. So what he did he put a mattress in the back of the van and he took a couple of young fellows with him to help him with the driving and he had never been hunting before. This was his first moose license. He was really enthusiastic, wild about the idea of going off in the woods hunting for the first time and looking forward to this great experience that he had heard so many people talk about.

But anyway he went out in the area for which he had the moose license and they had hard luck. They never even saw a moose. On the way back the gentleman who had the license, the experienced one, got out in the back of his van where he had a mattress and he lay down on the mattress and had a little nap for himself. Driving

Mr. NEAVE:

through a certain part of Newfoundland the two young fellows who were up front, one young fellow doing the driving and the other young fellow hanging on to the gun, they looked out on the side of the road and they saw a moose. So they jammed on the brakes. They leaped out of the van went up and shot the moose, killed it on the side of the road and lo and behold along comes an RCMP officer and where are they but in the national park. And the poor fellow was aroused from his slumber, dragged off to jail in Clover Town. This is an absolute fact, Sir. He was not in jail.

Anyway he was charged. His van was confiscated. His ammunition and his gun and everything aboard the van, his mattress, whatever sleeping bags, whatever he had was confiscated by the authorities and of course he was found guilty, he was fined \$500 and he lost just about everything that he had. But after several months of appealing to the parole board and to the various authorities they finally agreed to give the poor fellow back his van so that he could carry on his meat business and earn a living for himself and his wife and family. So he did manage to get the van back but I think that is as far as the authorities were prepared to go.

But sometimes, Sir, it is a little bit of negligence on the part of the hunter, a little bit of carelessness probably. But sometimes I wonder if the wildlife officers are not just a little bit too strict. I know the minister is trying to cut down on poaching. As I said earlier I only wish the Minister of Justice would bring in a wildlife act covering human beings in this Province who can go around with guns and knives and all sorts of other things that can do damage to people's property and to people's person. We seem to put more emphasis on the protection of animals than we do on the protection of human beings in this Province.

So I threw these few thoughts out for the gentleman. I hope that the hon. minister has the answer to this matter of the number of flying hours by the helicopters in Newfoundland as compared to Labrador.

MR. SPEAKER:

I hope the minister will tell me if the license is being changed now to include the provision that the hunter has to prove the sex of the animal that he kills. And I would like to hear the minister's comment on just how many cases have been taken into court say in the last couple of years, how many cases have been thrown out of court for lack of evidence or the person was ignorant of the law, the wildlife officer may be a little bit trigger happy, too quick on the draw, too anxious to throw his weight around. Sometimes this does happen, Sir. But generally speaking I agree that we must have good management, we must have good enforcement by the wildlife officers if we are going to manage our wildlife wisely and we are going to practice conservation that we must maybe do some of the things that the minister is talking about.

But I believe if we are going to put that kind of authority into the hands of the wildlife officers, the law enforcement officers that they should undergo practical and some pretty stiff straining before they are given that kind of authority. Then maybe we would not see some of the mistakes that we hear about and that we were told about, and I know I have been approached about like the one that I mentioned in the case of the missing testicles.

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLICHT: Mr. Speaker, I want to make a few observations on the amendment to the Wildlife Act. I support the amendments in as far as they go. The problem is, Sir, they do not go far enough. I tried to make a point a few days ago to the minister that there is no enforcement whatsoever going on in this Province during the off season. I stand on that, Sir. I would tell the minister that there are dozens of moose coming out of the woods of Newfoundland, in the Central Newfoundland area in particular, off our access roads, dozens and dozens of moose will come out and the people will not be apprehended.

Most of this amendment makes provisions for penalties in the event of apprehension. Well, Sir, the minister got up and addressed

MR. FLIGHT:

himself to my remarks that we did indeed have lots of control and that I was wrong in saying that poaching in the Summer is not as great as poaching in the Fall of the year, and he made light in the sense of my concerns.

MR. FLIGHT: The fact is, Sir, and I stand on it, we do not need the type of enforcement in the on season and during the hunting season as we need in the off season because the big game hunters themselves are a deterrent to the poaching. Every guy who takes a chance on poaching during the Fall of the year has to contend with some guy who is going to walk upon him with a licence and woe be tied that fellow if he comes up to this fellow who has a licence and who has been hunting legally all day or over a weekend. So that in itself is a deterrent.

Now, Sir, there have been dozens of caribou, Mr. Speaker, illegally shot and brought out of the woods since the migration started this Spring, in the right areas. I am not going to name the areas. I could talk here and point a finger at people who are doing this type of thing. I know it is happening, I know that during July and August there will be dozens of moose shot, killed and the poachers will never be apprehended. We have the facilities but we are not using them, Sir. You could not find a game warden in Central Newfoundland today if you spent a week searching. I could go in through the access roads of Price (Nfld.) and I could shoot a moose and I could have it home and distributed and nobody would be the wiser. People basically are not stool pigeons. Newfoundlanders do not rat on another Newfoundlander when it comes to bringing a moose out of the woods. They are concerned, they do not want it to go on and they are looking to the minister to make sure it does not go on. But it is going on, Sir, and it is going on now to the same extent, if not greater, than it ever did. That, Sir, is a concern of mine and it should be a concern of the ministers.

MR. WELLS: May I ask the hon. gentleman a question?

MR. FLIGHT: Yes, Sir.

MR. WELLS: You know, I have often thought that one of the best ways to handle this business of poachers would be - I mean helicopters are fine there is no better instrument but they are very expensive. They are \$200 an hour - but I have often thought

MR. WELLS: that a light plane that would cost twenty-five or thirty dollars an hour, a lot of them flying over the areas would be very effective instruments because they could be in radio communication with people on the ground, and the very fact that they were under surveillance would prevent, I think, or at least make it less attractive for poachers. For the cost of one helicopter you could put probably five or six Piper Cherokees or Cessna 180's, or something like that, in the air. I have often thought that would be one way to do it.

MR. FLIGHT: Yes, Sir, any form of deterrent, whether it is a plane flying these routes - if the people who are going to do this the fines are heavy enough. \$500 is the fine. All we need now, I would suggest to the minister, is some evidence of surveillance. There is no evidence at all of surveillance in the areas where poaching is prevalent. I doubt if there is much poaching on the Avalon Peninsula, but I can assure the minister that with the miles and miles of access roads in Central Newfoundland, the Price access roads, there is poaching.

There will always be some poaching. We just do not have enough brains. Somebody is going to defy the regulations. I think of a road forty-eight miles long. It leaves the Buchans-Radger highroad and goes through prime moose country for forty-eight miles. Now what is wrong with having a game warden patrolling that road during July and August? I know people who are making plans right now to get their moose in August, for two reasons. One, that is the best time of the year the moost meat is best to eat, the very best. Secondly, they are not going to take a chance that after the season opens there will be moose left for them anyway.

MR. MURPHY: Even if they had a car check on that road it would help.

MR. FLIGHT: Sure, a car check would do it. That is all we need.

MR. MURPHY: Check the cars coming back.

MR. FLIGHT: That is right. So, Mr. Speaker, this might sound insignificant in as far as the great problems of this Province is concerned, but it is a very significant problem for anybody who is interested in having our moose population preserved on this Island. Moose are being shot. There are more moose being taken - there may not be more game laws broken during the Summer than there will be during the Fall of the year. People will be caught with rifles in places they should not have them, carrying loaded rifles in cars and this type of thing, and they will all have moose licences, but there will be more moose killed by poachers during July and August than there will be during the whole open season, and that should be one of the biggest concerns of the minister.

Now, Sir, in so far as the use of helicopters is concerned, I cannot verify this, but I have heard reports that during the on season we have within one day's travel of Buchans, within a fifteen mile radius of Buchans we can hit fifteen fly-in-camps, and most of those camps are operational during the on season, and all of these camps are serviced by airplanes. That is the only way to get to them. I have heard reports of people being brought in to those camps and then the aircraft used to yard or to drive moose to a predetermined point so that they would not have to be carried too far after they were shot. Caribou, the same thing. In the process these animals have been run to death. Now, Sir, I suggest to the minister that may be going on and if it is it is a very serious situation.

MR. ROBERTS: It is certainly no trouble to do it.

MR. FLIGHT: There is no trouble to do it, it is being done. Aircraft are being used not only to spot moose from the air which is illegal, but are being used to drive the game to a point where the hunter is waiting to shoot them. This can only be done by non-resident hunters or by people who are in a position to do this type of thing. I can assure you that is not turning on the masses of Newfoundlanders who have to walk ten or

MR. FLIGHT: fifteen miles a day in order to see a moose. There is no control on this type of thing, no control at all. The game Warden that is designated to any given area in Newfoundland spends his time working the guy who is walking in the woods or working the access roads and the fellows who have licences for fly-in-camps, up to this point, have had a free ride. They can do as they please and they are doing as they please.

I would suggest, Sir, that in future amendments the minister would very seriously consider curbing the power of the fly-in-hunters by restricting what might or might not be done and then, of course, making sure that it is or is not done.

Getting back to the R.C.M.P., the R.C.M.P. in the open season, I am personally aware of days and days and days that certain town in Newfoundland had no police enforcement officers at all because they decided to spend the two days patrolling the access roads and doing the job of our game wardens. That may or may not be acceptable to the minister but it has happened. Now it is good from the point of view of enforcing our game laws, but it is certainly not good from the point of view that people are saying that the R.C.M.P. are just taking a couple of days in the woods on the pretext of apprehending big game poachers or people who would break the big game laws.

Another thing, Sir, that caused a great deal of concern. Last Fall the Department of Tourism issued licences to areas and the only way to have gotten to those areas was by Price (Nfld.) access roads. People in the Central Newfoundland area used that particular zone as their first choice and some used it as their second choice, but anyway, they got the licence. The Department of Tourism sold the licences on the pretext that that zone was available to them. Within hours after the hunting season was opened, Price (Nfld.) in their wisdom decided to close that access road. There was no other way in. Now, Sir, I suggest that the minister should have more control

MR. FLIGHT: over that. If you are going to sell me a licence to hunt in the dash woods area for instance, as an example, then I think you owe it to the people you sell those licences to to see that the access in to that area is open. Certainly there was no reason for it, no reason at all for that access road to be closed, but here were twenty-five or thirty hunters holding licences they has paid twenty dollars to the department for with no access in. I might point out, Sir, that as a result of people getting involved and suggesting to Price, the area was finally opened and they did indeed, hunt in that area, but only after people interceded.

So I think that in any area in Newfoundland, if moose licences are going to be sold to Newfoundlanders, the minister or his department should verify with the people who control those access roads that the area that they buy licences for will indeed be accessible to them. They should not have to live under the fear that overnight the area in which they have a right to hunt will be closed off by the action of a private company.

Sir, that is about all I have to say. I cannot impress upon the minister too much the importance of finding some way to stop the off season poaching. It is going on, it is helping to destroy our moose population, Sir, and I would go further with regard to the moose population. If the

MR. FLIGHT: The Department of Tourism or the Newfoundland Government is not prepared to have a complete closed season on moose in Newfoundland over the next couple of years there will not be a moose left in this Province to hunt. We will lowered the population of our moose to a point where they cannot on their own come back. There are not 48,000 moose on this Island, nothing near 48,000 moose. The minister is not the person to debate this with, nor is the House. I would like to sit down with the people, who are giving the minister this information, the biologists who tell us how we should conserve our moose population.

The fact is, Sir, that unless we are prepared to consider a complete ban on hunting in this Province moose will be extinct on this Island. You can no longer on this Island in a week's walk can you see a prize bull moose. It does not exist. They are all gone. Small moose and a few caribou are what you see now, where as one time every hunter went in had a chance to shoot a big bull. That is gone. Ten years from now the only way you will get to see a moose is to fly in to a restricted area somewhere. So, Mr. Speaker, I do not know if you have ever considered a complete ban, it would not be a political proper thing to do but I can assure you that a lot of people in Newfoundland and a lot of people jealous over their rights to hunt a moose and wants to buy a moose licence would support the minister if he indeed had the desire to impose a complete ban on moose hunting in Newfoundland for two years. And then when we opened the season we could open it and the people buying licences would have a fair chance to get a moose. Whereas right now in the figures this year it would be interesting to see how many moose are shot in proportion to the moose licences bought.

So, Mr. Speaker, I would hope that the minister would address himself to some of these points and that is my contribution to this debate.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER (DR. COLLINS): The hon. member for Fogo.

CAPTAIN WINSOR: Mr. Speaker, I have but a few comments to make on this bill and it is an isolated one in it pertains to not the District of Fogo District but Fogo Island itself.

It has been brought to my attention that there is quite a lot of poaching going on. Now at one time there was or is a herd of moose or caribou put on Fogo Island and there was a closed season for a number of years. However last year I believe there were a number of licences issued.

Now there is no Wildlife Officer to my knowledge on Fogo Island. It is sort of left in the hands of the RCMP. And, Sir, there is not an individual on Fogo Island who does not know when the RCMP is going to come to St. John's or is going to leave the Island and that is when the poaching is carried out. And it was only about ten days ago I was visiting the Island and I was visiting a home there and I saw a set of antlers up over the living room door. He said, "You know this is what is happening on Fogo Island. I walked through the woods the other day and I picked up this fresh pair of antlers and I came out and I reported it to the RCMP and said, 'look what can I do with them?'" "Well," he said, "Boy there is not much you can do with them only keep them and do what you feel best to do with them."

So there is a local and an isolated problem and the people on Fogo Island feel that if it continues then the herd that was planted there will soon disappear because of the extreme poaching. So, Sir, I would strong suggest to the minister that he would give serious consideration to having either a part-time or a full-time wildlife officer stationed on Fogo Island.

Now there is no doubt in my mind there is a considerable amount of paching going on all over Newfoundland and I would be the first to commend the government on bringing in the regulations

CAPTAIN WINSOR: such as we see in this Bill. Because, Sir, as my colleague mentioned and the hon. member for LaPoile (Mr. Neary) mentioned, if we do not soon do something about this the wildlife of this Province will soon disappear. And what we took great pride in in boasting about a few years ago will be a disgrace to us and a disgrace to the governments of the day and the governments before and so, Sir, I feel that something should be done especially to preserve what there is on Fogo Island and in the other parts of the Province as well.

MR. RIDEOUT: Hear! Hear!

MR. SPEAKER (DR. COLLINS): If the hon. minister now speaks he closes the debate.

The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, I thank hon. gentlemen for their comments. I will try to deal with them as I have them here. I suppose the issue raised by the member for LaPoile (Mr. Neary) is probably the most important one, it is certainly one that require with the loss of testicles as being important even though they belong to a moose.

I can inform my hon. friend, Mr. Speaker, that this matter has been corrected and to my knowledge there is not any possibility of a similar situation occurring. Certainly the regulations which are made available to each hunter with a licence, indeed this year with an application, contain a section dealing with the proof of sex and I believe there are two areas of proof, one is the testicles and one is the lower jaw bone.

MR. NEARY: That was not on the licence.

MR. HICKEY: I am speaking from memory, Mr. Speaker, is it not indicated bull or cow moose. For example if it is a bull moose and the hunter knows that the proof of sex is the testicles of that bull moose I think it is obvious, I think we could conclude that he would feel that to produce the testicles would be necessary.

AN HON. MEMBER: He could have brought down both and that was supposed to be proof according to the -

MR. HICKEY: How long ago was that, Mr. Speaker?

AN HON. MEMBER: That was about two years ago.

MR. HICKEY: I do know that since I have been minister I have had occasion to take a paper to my colleagues and have it approved. I might say it met with the same kind of response as the hon. member's comments met this evening but nevertheless. I suppose there are two sides to every argument, Mr. Speaker, to the people who insist that this kind of proof is necessary and it is the only way to adequately prove and control the herd. There are so many others who think it is a crazy idea and who want to see it done away with.

AN HON. MEMBER: It is a very delicate subject.

MR. HICKEY: It is a delicate subject there is no doubt. However, Mr. Speaker, the present situation -

MR. NEARY: Do not tell me about that because the fellow was satisfied to go back in the woods and get the testicles and the wildlife officer would not allow him.

MR. HICKEY: Mr. Speaker, here again I suppose my staff sometimes are over enthusiastic, some of them. I do not quarrel with that. Certainly it is not my intention to criticize my staff at this point but certainly if criticism is due then it must be passed on to them.

I suppose I could appreciate the warden for example saying to the gentleman when he offered to go back in the woods, what poof would he have that they belonged to the moose that he shot. So you know, Mr. Speaker, this is just how ticklish a subject this is.

At any rate to get on to - not minimizing the importance of the point made by the hon. gentleman, it is very important although funny but very important and I can assure him that to the best of my knowledge that matter is sorted out and there cannot be a repeat performance.

MR. HICKEY: While I am on that I might say with regards to his comments insofar as my staff are concerned, when wardens are chosen certainly there are requirements laid down. People who are well experienced in the outdoors are chosen. Certainly the people with the wherewithal and the decent education and to all intents and purposes, Mr. Speaker, every effort is made to choose what we consider the right people. But in every barrel there is an apple I suppose that does not match up to the rest and there it is.

Mr. Speaker, do we go on the late show?

MR. SPEAKER: At five-thirty I am required to interrupt the hon. gentleman, if he is going to speak a few minutes then by leave he may.

Mr. Hickey:

Mr. Speaker, I felt I should cover some of the things that were raised. With regards to the matter raised by my hon. friend on behalf of the member for Eagle River (Mr. Strachan) I want to tell him that the staff in Labrador are anxious of course to get more flying time, but we in the department determine the flying time and that is the way it will remain. My biologists and my people in the department here have good reasons for allocating the amount of time to Labrador versus the Island. While there is more wild life up there certainly there is not near as much of activity. It is not near as critical for enforcement reasons to have the kind of flying time in Labrador.

MR. STRACHAN: (Inaudible).

MR. HICKEY: No it does not, Mr. Speaker, the amount of flying time - I am aware of this subject and I should also say that it is probably a wrong route to go to the member for the area when a decision has already been made by my officials or by the superiors of those people in question. And there is not very much to be gained by it.

With regards to the staff being strict, Mr. Speaker, the only instructions I have given my staff is that they should maintain a kind of the middle-of-the-road attitude not going out deliberately to take anyone into court, but to see that the law is enforced. And I have also indicated to them that if they do not have conclusive evidence then they should not go and arrest somebody.

The gentleman from Windsor-Buchans (Mr. Flight) I want to thank him for his remarks and a number of good points. I can only say to him as I said to him on the previous date when this subject was raised that may be we will have to bring in a system which is similar to that contained in the Migratory Bird Act which provides for people who go in the woods or go hunting to report and upon conviction of a person found guilty, upon conviction half of the fine that is levied by the court will go to the person making the information available. I might say the person does not have to appear in court, his name or

Mr. Hickey:

her name is kept confidential and so on.

The matter with the wood roads is a very important one, and I will take it under advisement to see just what the situation is and what can be done. I agree with him that we do not catch everybody. And the best estimates that are available is something like 2,000 animals a year that are poached, and quite possibly that might be 2,000 moose and so many caribou in addition. I agree with him when he says that we just might be facing a time when there will be a closed season if we are going to preserve the wild life in this Province, especially the big game. And we might be just looking down the road if people do not take warning and if people do not take heed and observe the law and realize the importance of it.

I should point out and again with response to my friend from Fogo (Capt. Winsor) the transplant on Fogo of moose was very successful. I think one of the things that is needed there in addition to probably the occasional visitor more often kind of visit of wild life staff is a PR programme pointing out to the people there just what has to be done if they are going to keep the herd and what will happen if they do not mend their ways. I think, Mr. Speaker, that indeed applies to the whole Province, that there has to be a public relations programme to convince our people that really a big game licence or the taking of wild life should not be considered a right but indeed a privilege as it is considered everywhere else. But because of the way our people grew up and because of the way the Province was developed most of our people consider it a right and they consider that there should be a moose or caribou for every table or every household. I think that we have to mount a programme to do away with that attitude and hopefully we can do this. I move second reading.

SOME HON. MEMBERS: Hear, hear!

On motion a bill, "An Act To Amend The Wild Life Act", (Bill No. 88) read a second time, ordered referred to a Committee of the Whole House presently by leave.

Mr. Speaker: It now being 5:30 P.M. the motion to adjourn is deemed to be before the House. There is one matter for debate and that being the provision by the government of proper waste disposal units throughout the Province. The hon. member for Bellevue.

MR. W. CALLAN: Thank you, Mr. Speaker.

Mr. Speaker, in five minutes I cannot say very much on this I hardly know how to approach the subject, and it is not my intention to blast the government as much as it is perhaps to bring a problem to the attention of the government, because I dare say the government is aware of the problem and it is just a matter of government knowing what to do, the fairest thing to do, the best thing to do to cure the problem we have.

The problem, of course, that I want to talk about is the problem of garbage disposals. It is a problem. We have all heard of Robin Hood Bay and we have all heard about the prospective dump for the Goulds Area. I want to talk about a case in particular, and I think this might apply to the whole Province. Now a couple of days ago I stated that back in 1971 when the Shipyard at Marystown was not that busy, the government of that day had approximately thirty incinerators, these are the large incinerators about thirty feet high, they are incinerations which are capable of course having a dump truck dump in and dump the load, then to clean it out with a small tractor, say a John Deer, or a backhoe can go through it doors on one side and out through the other. So it is an easy method of disposing of garbage. Of course, everybody knows that incinerated, burned garbage does not take up nearly the space as a raw garbage that is scattered around the countryside in an open dump.

Mr. Speaker, I know that these incinerators which were produced back in 1971 are good. They do the job, I know that from personal experience being a Chairman of the Municipal Government in Normans Cove where we have one of these incinerators. I also know, Mr. Speaker, that in Central Newfoundland somewhere were they have one of these the Department of Highways have backed in with a dump truck load of tires, and of course that ruined that incinerator. Up

Mr. Callan:

around St. Anthony somewhere the same type of incinerator, a local fish plant carried out a truck load of plastic pans and of course ruined that particular incinerator. But if the incinerator was used as it should be for household garbage then these incinerators are the thing.

Now this problem as I say, the problem I am getting at may not be the problem for the Minister of Municipal Affairs, where it may not be his problem any more than it would be for the Minister of the Environment. But we do have a problem, for example, I take the case of Chance Cove where they have Chance Cove, two municipal parks using that dump and of course it causes problems with possible forest fires. Last year the Normans Cove voluntary fire brigade had to visit the Chance Cove pit on three occasions last Summer to put out what could have erupted into a bad fire. I also mention, and I mentioned this before on another matter the creation, of course, of rats multiplying and dividing and doing all of the arithmetic they could, and drifting into the communities, and of course the only sensible answer is a regional system I suppose of incinerators which would be used by ten or a dozen communities in say a radius of twenty or thirty miles.

Now in the case of Chance Cove, the people at Chance Cove and all that area in between there could easily use the incinerator at Normans Cove if they were told to do so or if they were instructed to do so. They have an incinerator at Sunnyside which could be used by say Jack's Pond rather than coming to Chance Cove, they could to to Sunnyside and all that area there could use the present incinerator at Sunnyside. So there is a problem at Chance Cove, and I can see the problem getting progressively worse unless something happens, well I think the Council at Chance Cove has already been told that the cost of an incinerator could possibly be \$30,000 or \$40,000, and so no we cannot afford it. So I am what the Minister of Municipal Affairs or possibly the Minister of the Environment would like to say about it. As I say I am not condemning, I am looking for a solution.

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MR. PECKFORD: The problem of waste disposal is becoming as important as the problem we have in municipalities with sewage disposal and very soon it is going to surpass it in importance, and a health problem and environmental problem.

The Rob Refuse Burner which is being used now, incinerator that is being used by some municipalities is, as the hon. member just mentioned, expensive, for small municipalities. And it is not only expensive to buy it is expensive to operate. That is number one. Number two the sanitary land fill concept although good is difficult to find the proper terrain to have a site and also many of the councils in an area when you are trying to get a regional dump say, even though environment says this is suitable here we do not want it near our place and the other municipality says we do not want it near ours and so it goes and nothing is done.

The Department of Provincial Affairs and Environment and the Department of Municipal Affairs and Housing have gotten together lately and it is rather opportune that the hon. member should bring it up at this time and two of our people, that is Mr. David Janes of the Environmental section of the Department of Provincial Affairs and Environment, and the Assistant Deputy Minister of Technical Services of my department who was formerly with the Department of Provincial Affairs and Environment are going to Montreal and Toronto in the next week or so to look at a totally new kind of incinerator which is cheap to buy and cheap to operate and it is called the pit type incinerator and there are only two companies in Canada making them and they have only started recently. They have a few in operation outside Montreal and outside Toronto in smaller places. And the companies have agreed to have these two gentlemen from the Newfoundland Government go up and take a look at their incinerators, because it is our feeling that

MR. PECKFORD: there is going to have to be a trade off somewhere and even though incinerators in some areas might cause some air pollution, the amount of pollution that is going to be caused by these sanitary land fills and so on is going to be far more than the air pollution that is going to be caused and there is going to have to be perhaps a small trade off to go to incinerators in a bigger way than to sanitary land fill.

So they are going up to take a look at this pit type incinerator which is a lot cheaper than this refuse one that now is being used. And as a result of their visit they are going to report back to their ministers of course and we are going to try to see if we can have the federal environment people, who are far stricter than the provincial environment people, to agree on certain limits of air pollution that would permit the more extensive use of incinerators around the Province. And I could not agree with the hon. member more, regional centres for his incinerator and have them all come into it and so on. The problem is now with the present one that is in vogue it is very expensive on the capital side and also very expensive on the current side of the budget so if we can get this kind of a incinerator which is cheap and apparently does a very efficient job, then we shall be advertising this kind of incinerator to municipalities and waste disposal committees to use.

So perhaps within a couple of weeks I can give the hon. member a lot more information on this new type of incinerator and keep him informed as to what we hope to do but we recognize the problem and this is one solution that we have now found that might just do the trick for us.

MR. CALLAN: I wonder, Mr. Speaker, before the minister sits down, for the present time while this thing is being investigated I am

MR. CALLAN: wondering if possibly in the case of Chance Cove, could the Minister of Tourism possibly instruct the builder of each park to use the Norman's Cove incinerator and the Jacks Pond Park to use Sunnyside and this would alleviate some of the problem which exists in Chance Cove now.

MR. PECKFORD: I will ask my colleague, since I am the one who is on my feet, to make a note of those two parks and that they split up their garbage between the two incinerators and not overload the one.

MR. SPEAKER: The motion before the House is that the House do now adjourn, is the House ready for the question? Those in favour "Aye," contrary "Nay", in my opinion the "Ayes" have it. I leave the Chair until eight o'clock this evening.

The House resumed at 8:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please! Order 27.

Second reading of a bill, "An Act To Repeal And Replace The District Courts Act." (Bill No. 80).

HON. T.A. HICKMAN: Mr. Speaker, I do not propose to keep the House very long on this bill, because really the explanatory notes speak for itself.

At the present time we have seven District Court judges in Newfoundland whose jurisdiction is limited to the districts for which they are appointed. This Act will do two things: increase the jurisdiction of the district courts from the point of view of the amount involved in cases that they can try, and also give them provincial jurisdiction so that if one District Court judge is overworked or is busy at trials, another can be asked to hear cases in that particular area. The third significant provision of the Act is the provision for a chief judge of the District Court. This will mean a judge, an additional judge of the district Court -

MR. NEARY: Is this a new position?

MR. HICKMAN: That is a new position.

MR. NEARY: Does the minister have his eye on it?

MR. HICKMAN: No, the minister does not have his eye on it. This is a new position and the chief judge of the District Court will be charged with the administrative responsibility to see to it that the other judges are functioning throughout the Province and that there be adequate circuits and that the courts visit the areas where they are needed. This Act cannot be proclaimed at this time because as hon. gentlemen are aware, the appointment and payment of District Court judges is the exclusive responsibility of the Governor General-in-Council, that is the federal cabinet, and they have to amend their Judges' Act which probably will not take place until the Fall in order to provide for this additional post. But it is a significant change, Mr. Speaker, in the structure of the District Court and one that I

MR. HICKMAN: hope commends itself to hon. gentlemen.

I move second reading.

MR. SPEAKER: The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, I am not going to speak at any great length on this bill, but I do want to draw to the attention of the House, especially the hon. the Minister of Justice, that Mr. Isaac Mercer, Q.C., has been crusading for a long time to try to bring reforms in the administration of justice in this Province into Labrador. Mr. Mercer claims that the administration of justice as it relates to Labrador is being grossly neglected, that the - I do not know if the District Court extends its jurisdiction into -

AN HON. MEMBER: It does.

MR. NEARY: It does under this Act?

MR. DOODY: It does under the old Act.

MR. NEARY: Under the old Act? Anyway, whatever is happening down there, mathe it is the Supreme Court on circuit that Mr. Mercer is talking about, but anyway, he has been on radio and in the newspapers several times leaving the impression with me, at least, that the minister should be very gravely concerned about the administration of justice in Labrador. I suppose it is pretty well the same as everything else in connection with Labrador, that Labrador is usually left out in the cold, usually left behind, usually gets the rotten end of the stick. But can the minister assure us now that under this Act, if it is not already covered under the District Courts Act, if this will do anything to improve the administration of justice in Labrador? Can the minister tell us if there are any plans to follow some of the recommendations that I understand have been made by Mr. Mercer? I believe Mr. Mercer presented a brief to the minister, or certainly made recommendations, written to the Chief Justice or to the minister himself about the administration of justice in Labrador.

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

MR. SPEAKER: the debate.

The hon. the member for Fogo.

CAPT. WINSOR: Mr. Speaker, I was just going to have one comment and agree with the hon. the member for LaPoile (Mr. Neary). I think if the minister can assure us that this judge will be placed in Labrador, certainly I would not have any hesitation on going all out for it. Because as the hon. the member for LaPoile (Mr. Neary), stated, Labrador has been neglected in this area for much too long now.

I do not know if the hon. the minister can tell us how many cases any of the District Court judges hear during the course of a year. Certainly I would suspect that in certain areas and certain districts the workload is not all that heavy. I do not see why he has not complied with the wishes of Mr. Mercer a long time ago and had one of the District judges spend some time in Labrador rather than spending perhaps idle time in the district to which he is assigned. Perhaps he could have spent some of that time in Labrador.

MR. NEARY: They certainly are not overworked.

CAPT. WINSOR: Well, I agree. I think that is about all I have to say, Sir. I plead for the representation for Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, just a word or two on this bill No. 80, largely a few questions to the minister for my own edification and perhaps that of other members of the House. As I understand it now the District Court judge, the one I am thinking of is for Grand Falls-White Bay-Labrador, it would take in the entire federal electoral jurisdiction. That is correct?

AN HON. MEMBER: Yes.

MR. SIMMONS: Yes. I further understand that the Chief Judge provided for here would be resident here in St. John's. Would the minister indicate to us what this judge will do,

MR. SIMMONS: in broad terms. Will he be a office manager of sorts or will he be an administrative head only or will he hear cases?

MR. NEARY: He will be retired on full salary.

MR. SIMMONS: Well that is one of my concerns. Will he perform? Will he be an active judge in the sense that he will hear cases in the same sense that his seven district judge will hear cases, and if so, where will he hear cases? At what point will he be called in? His obviously cannot be the next step in the process, as it were, but what guidelines would determine where he would hear cases? Would it be in the District Court of Grand Falls-White Bay-Labrador, or Burin-Burgeo or what is the case? I think the question we are all asking is what really is the function of this judge, this Chief Judge? I for one cannot see any justification for the establishment of an administrative head alone in the strict sense of the term. But if he is a judge, as I understand the term judge, if he is a presiding judge hearing cases, well that is quite a different matter.

Would the minister mind also in closing the debate, just in a thumbnail way, sort out for us the overall area of jurisdiction of the Provincial Court as opposed to the District Court. Would he address himself to that one in closing up the debate?

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

Mr. Hickman:

if I can take them in the order, let me first deal with, well I guess they are all intertwined, but let me try and deal with them separately. Firstly, the chief judge of the District Court will most assuredly try cases just as the chief justice of the Trial Division hears cases as many cases as any other of the Trial Division, and this has always been the case.

The problem that we have experienced in the past is that we have had seven, well right now seven but until recently five District Court judges in Newfoundland operating within the confines of that judicial district which was really the boundary of the Federal riding for which they were appointed. Judges are not, in one sense of the word, subject to direction from the Province, although the Province has the sole and exclusive responsibility for court administration. But we have found that in certain districts the judges were extremely busy, for instance, I doubt if there is a judge in Newfoundland today as busy as His Honour Judge Geoffery L. Steele of the District Court of St. John's West.

MR. NEARY: But that is the only one.

MR. WELLS: East.

MR. HICKMAN: East rather. And His Honour Judge P. Lloyd Soper of Humber St. George's in Corner Brook is an extremely busy judge, His Honour Judge Rupert Bartlett is again maybe because there are some lawyers now practicing in that area is quite busy. The function, and while I feel it is necessary to have a chief judge is that this chief judge hopefully will at the beginning of each term call a meeting of all of the District Court judges and assign to them the circuits that they must make, that they must go to Labrador on certain dates. And if for instance the judge in Grand Falls got a completely filled docket and the judge in Grand Bank has very little to do, the chief judge of the District Court will be able to direct the judge in Grand Bank to go to Labrador and hear any cases that are outstanding.

We have provided in the Act that whilst we have given a Province wide jurisdiction, because we have had many a case where

Mr. Hickman:

somebody in a civil action say is ready for a trial in Trinity and the judge from Grand Falls is about to go and someone suddenly says no, no Trinity is in the judicial district of Trinity-Conception, and then there is a delay while Judge Bartlett has to go and hear the case.

It is provided in the Act that these judges must reside in certain places in the Province. I do not want all judges congregating in the City of St. John's or in the City of Corner Brook. So that the District Court judges will reside at Brigus, Corner Brook, Gander, Grand Bank, Grand Falls, and St. John's.

MR. NEARY: None in Labrador.

MR. HICKMAN: The problem with a judge in Labrador is that there are only two lawyers practicing or three lawyers practicing down there none of whom have been in practice for ten years. A quick inquiry of the Bar indicates the almost impossibility of finding a judge who will permanently reside there. My concern is not so much that he reside there, is that he be available at all times.

Under the provisions in the Judicature Act it is compulsory at this time that a trial judge of the Supreme Court visit Labrador at least once in each year. My opinion is, that is not sufficient, but the reason why the judges in the Trial Division of the Supreme Court have been unable to make the number of visits to Labrador that, in my opinion, are required is that we have been operating in this Province for the last two years very much under manned in the Trial Division of the Supreme Court because of delays in appointments of judges. But that has been cured, we now have four judges in the Trial Division of the Supreme Court. And for some reason or other we have not had the visits to Labrador by the District Court judge of Grand Falls - White Bay - Labrador, the visits there have not been as frequent as they should be.

The reference to the comments made by Mr. Issac Mercer, Q.C. any submission, and I know he did make a submission, it was made to the Minister of Justice in Ottawa, the hon. Otto Lang complaining very strongly and very properly over the unconscionable delay on

Mr. Hickman:

the part of the Minister of Justice in Ottawa in making recommendations to fill the vacancies so that the courts could carry out circuits.

MR. NEARY: Mainly in Labrador.

MR. HICKMAN: In Labrador, the circuits in Labrador.

We have spent in my department, and I have had a lot of notes on this for my estimates, we had spent a great deal of time in Labrador trying to improve the administration of Justice as it relates to particular the native population. Quite recently instructions went out from me to the magistrate in Goose to take a jury list in Nain because there are two cases outstanding from Nain. And my opinion is that the next circuit that goes to Labrador, the Supreme Court should sit and try these cases in Nain. A person in Nain is entitled to be tried by his peers. I am told by my hon. friend from Naskaupi (Mr. Goudie) that it would be pretty well impossible to empanel a jury between now and the next of September, mid October because most of the working male population will not be in the Nain area during the Summer months, they will be fishing, and anyway customarily, traditionally, they do not stay at home in the Summer. But come Fall it is our intention - and this has to be done, I repeat, this has to be done in consultation with the chief justice of the Trial Division. There has to be in my opinion or should be a circuit held in Nain assuming that these cases are still outstanding.

The hon. member for Burgeo-Bay d'Espoir (Mr. Simmons) asked what the difference in jurisdiction is between the Supreme Courts, say the Trial Division, and the District Courts. When this bill becomes law there is going to be very, very little difference in the jurisdiction of the two.

MR. SIMMONS: My question is the difference in the Supreme Court and the Magistrates Court.

MR. HICKMAN: Oh, the Magistrates Court, a magistrate in civil cases has jurisdiction to hear amounts involving up to \$500. In criminal cases, in the Provincial Court, the magistrate has jurisdiction to try and is indeed trying most criminal cases in this Province now.

Mr. Hickman:

I think 90 per cent of all criminal cases in Newfoundland are now being tried in the Provincial Court. Certain cases like murder, and one or two others must be tried in the Trial Division of the Supreme Court, under the Criminal Code.

MR. SIMMONS: Great.

MR. HICKMAN: The District Courts will now have unlimited jurisdiction as far as - they could only try cases where the amount involved was \$10,000 or under. And that in my opinion is no longer a realistic limitation. And consequently that jurisdictional requirement has been removed. And there is also the right in this bill for the District Courts to hear applications for injunction which has always been the complaint from particularly the West Coast where they have had to come to St. John's, and some of these cases need proper action.

MR. SIMMONS: And they will hear civil cases.

MR. HICKMAN: And they will hear - but they also have criminal jurisdiction. District Courts also have criminal jurisdiction, and I notice of late more and more accused persons are electing for trial before a District Court judge without a jury rather than electing to be tried in the Supreme Court with a jury. And our hope is that when this becomes law we will have in this Province then eight District Court judges including the chief judge all of whom will be hearing trials. We have four judges in the Trial Division and three in the Court of Appeal. That means fifteen judges in the Province of Newfoundland to hear cases and really with unlimited jurisdiction. And when one bears in mind this time last year there were about four judges in the Superior Courts all tolled hearing appeals and trials, in my opinion, this should eliminate -

AN HON. MEMBER: Hear, hear!

MR. HICKMAN: - the delays that are unfortunately experienced in the hearing of cases because I can only repeat to this House what I have said so often, my philosophy

MR. HICKMAN: It is and my belief is that the courts must be brought to the litigants rather than an imposing upon the litigants the financial obligation to have to come to courts and this would go a long way in bringing this to pass. I move second reading.

On motion a bill, "An Act To Repeal And Replace The District Courts 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 Respecting The Sheriff Of Newfoundland And His Officials." (Bill No. 85)

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, this Act can be regarded really as a housekeeping piece of legislation. The duties of the High Sheriff of Newfoundland and his various deputies and bailiffs, etc., are already being carried out and have been for a hundred years as a matter of convention and this incorporates and legislates into law the work that has been carried out by the high Sherriff of Newfoundland who at this time is Mr. Stanislaus Carew.

MR. RIDEOUT: Has it been distributed?

MR. HICKMAN: I enquired and I was told that it had been distributed.

AN HON. MEMBER: Not over here.

MR. HICKMAN: I enquired today whether that bill had been distributed -

MR. SPEAKER: I have got a copy.

MR. HICKMAN: - distributed to the hon. members on the other side of the House first please. But this Act is as I say a housekeeping act and codifies the law that exists as a matter of convention and precedent and practice today and very clearly defines the Office of the High Sherriff. There will be an amendment in Committee to change the long title, Mr. Speaker, to read "An Act Respecting The High Sherriff of Newfoundland and The Office Of High Sherriff."

MR. HICKMAN: I move second reading.

MR. SPEAKER: The hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: I can well understand the secrecy, the reason for holding back this Bill because as I look through it the answer to the question we have been having for a long time is answered. What is the Minister of Justice really up to? He is going to be the High Sherriff, Mr. Speaker.

AN HON. MEMBER: O.C.

MR. SIMMONS: Mr. Speaker, needless to say we have just seen this Bill and I would like to have had time to have a look at it. I do not know what it is all about and it is most unfortunate it was distributed so late but perhaps before it gets into Committee we would have a chance to look at it. It is the understanding we will give approval for second reading with the understanding that we can address ourselves to it at the Committee stage.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: I just got a chance to brouse through this Bill and I wonder if the Minister of Justice could tell us when he ends the debate if the Deputy Sherriffs, I am not talking about Wyatt Exp here now, the Chief Sherriff, but the Deputy Sherriff, how do they get paid? Do they get paid on a commission basis? They are not civil servants according to the Bill. Do they get paid per summons they deliver or you know just what is - in that case then Mr. Barfitt must be cleaning her with all the summonses he delivers to me. He has an awful time rounding me up sometimes, he has to go all over the city. But, Sir, he must use up an awful lot of leather and burn an awful lot of gas.

MR. NOLAN: Does he lasso you?

MR. NEARY: No he did not have his lasso with him the last time he came, but the gentleman was so frustrated trying to track me down that he finally had to call me and make an appointment so he could deliver the summons to me.

AN HON. MEMBER:

MR. NEARY: Well he is a fine gentleman. I like him. So I waited. As a matter of fact I was almost late for the Legislature that night waiting for the Sherriff to arrive with the summons.

But I would like to know, Sir, I presume the Chief Sherriff is a Civil Servant. He is being paid a salary. The deputies under this Act can be appointed by the Chief Sherriff, where are the deputies, will they be scattered all over Newfoundland? Are they in every place now where there is a court, where there is a Magistrate's Court.

AN HON. MEMBER: There is one in Grand Bank.

MR. NEARY: There is one in Grand Bank. I know, Mr. Speaker, it may be a good job for the Minister of Justice, he could not make the Bench. He does not want to go to Labrador as a judge. Perhaps the hon. minister might be interested in becoming the Chief Sherriff. I do not see anything else in the Bill, Sir - Perhaps the minister can tell us why did we not have a bill before. I mean were we just flying by the seat of our pants? There was a bill.

MR. NOLAN: Why do we need a Chief Head Sherriff? What is his job? Why do we need a High Sherriff?

MR. NEARY: Executions to be directed to the Sherriff, an instruction upon the writ of execution _

MR. NOLAN: Do we have one now?

MR. NEARY: property to be described, advance payment of fees, return of writs, a party to an action or any proceeding or the solicitor of such party made by written instruction require the Sherriff, Sub-Sherriff, Bailiff or Deputy Sherriff to make a return or cause such return to be made of a writ of execution. But the levy and execution is executed by the Sherriff, Sub-Sherriff or Bailiff within twenty days from the date of the instruction or where the levy and the execution is effected by a Deputy Sherriff following a direction

MR. NEARY: to that effect pursuant to section 62 within thirty days from the date of the instruction endorsements, return of all writs directed.

MR. NEARY: I do not know very much about it.

MR. HICKMAN: You do not.

MR. NEARY: No, Mr. Speaker, I am afraid the minister - I am like about ninety-nine point nine per cent now of the members. I bet ninety-nine point nine per cent of the members have not read this Bill. And I would not be a bit surprised but the remark that was passed by one of the editorial writers in The Evening Telegram the other day that the government are so anxious to get this House closed and get out on their vacations and get out on the hustings that all kinds of bills, I think we have got about twenty-nine second readings on the Order Paper now. I am glad to see the hon. Minister of Mines and Energy back from Norway.

SOME HON. MEMBERS: Hear! Hear!

MR. NEARY: We have not had a good fight or a good row since the minister left and the House has been in complete disarray since the minister left and they have not even circulated the bills.

MR. CROSBIE: A few minutes time I will -

MR. NEARY: A few minutes time, well I will tell you, Mr. Speaker, the minister might be interested in knowing that while he was away I lost my voice and for two days I just could whisper.

AN HON. MEMBER: You have got some whisper.

MR. NEARY: But I managed to get my message across. But if the minister wants a good row before the night is over I think I am back in shape again. I got my voice back in good shape, but could the minister give us when he is closing the debate, give us a little more information on this Bill. I am afraid I am at a loss to know why it is brought in now. How did we handle this situation before? Is the minister contemplating that deputy

MR. NEADY: Sherriffs are going to be appointed now all over Newfoundland? How will they be paid? Will they be paid a fee for delivering summonses?

MR. MOLAN: How will they travel?

MR. NEADY: How will they travel? Will they get their expense allowance paid?

AN HON. MEMBER: Have gun -

MR. NEADY: Have gun will travel. But will they get their expenses paid? Give us a little more information you know. We just got the Bill. I have not had time to study it in any detail.

MR. SPEAKER: If the hon. Sherriff speaks now - I am sorry.

SOME HON. MEMBERS: Hear! Hear!

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

MR. CROSBIE: Hi ho Silver.

MR. RICHMAN: I have always had some doubts, Mr. Speaker, about Cambridge Law School. My doubts are being confirmed.

Mr. Speaker, the reason for this Act is that the High Sherriff of Newfoundland, who is Mr. Stanislaus Carew, who has been in that position for a number of years has expressed some concern from time to time that whilst he and his predecessors, men like the late High Sherriff John Cahill who was a character of great renown, one of the best loved men around this Province, that

MR. HICKMAN:

whilst they have been working under the direction of the court that from time to time there have been questions raised as to their jurisdiction and what rights they have and that we should codify these rights, and this we have now done by the Act that is presently before this hon. House.

The hon. member for LaPoile (Mr. Neary) makes enquiries about deputy sheriffs, does this mean we will now have deputy sheriffs. We have at the present time thirty-seven deputy sheriffs throughout the Province of Newfoundland and Labrador. These deputy sheriffs are part-time officers of the crown. They are paid the sum of \$560 per annum and they are paid at the rate of twenty cents per mile for the service of process. We have never been able - the appointment of deputy sheriffs is the prerogative of the high sheriff. He has never been able to find enough men to serve in this position and I suspect that the income has something to do with it.

AN HON. MEMBER: With the unemployment we have in our Province there have got to be now then.

MR. HICKMAN: Over and above that. If it is, it will be the first time in Newfoundland's history. Over and above the deputy sheriffs we have full-time employees of the sheriffs office known as sub-sheriffs and/or bailiffs. Now Mr. Harvey Barfitt who is a very competent person and who is a public servant, a civil servant, is a bailiff in the sheriffs office in St. John's.

MR. CROSSIN: He served Mr. Neary many times.

MR. HICKMAN: The bailiff in Corner Brook who is about to retire because of age - and I regret this - is Mr. Stan Martin who has been a bailiff - he is a retired member of the Newfoundland Constabulary - he has been one of the most efficient bailiffs this Province has seen. It is with the greatest regret that he finds and I find that he has now reached the retirement age.

MR. WOODROW: Mr. Speaker, I would like to ask the hon. minister a question please. I was wondering if the successor to Stan Martin has been

MR. WOODROW:

named yet?

MR. CROSBIE: You are the first on the list 'Lube'.

MR. MICHYAL: The hon. the member for Bay of Islands (Mr. Woodrow) has the qualifications to be bailiff. He has the educational qualifications, the determination of purpose and a dedication and fearless dedication to duty that is one of the criteria for hiring a bailiff. Mr. Speaker, to reply to the question from the hon. gentleman from Bay of Islands (Mr. Woodrow) a successor to bailiff Stan Martin, sub-sheriff Stan Martin, has not been appointed. Mr. Martin is still in office and will be, I think, until the end of June or July. The Public Service Commission are presently interviewing applicants and in due course I presume they will submit to the high sheriff and the Deputy Minister of Justice their recommendation and that person then will in due course be appointed, and hopefully will be appointed in sufficient time to enable him to have the benefit of working with Mr. Martin for a month or two before Mr. Martin goes to pension. In that respect I imploringly look upon my colleague, the hon. the president of Treasury Board in the fond hope and the sure and certain knowledge that his great interest in the administration of justice will compel him to make available sufficient funds to allow sub-sheriff Martin to have one or two months to work with his successor. I move second reading.

On motion a bill, 'An Act Respecting The Sheriff Of Newfoundland And His Officials', read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 85)

Motion second reading of a bill, 'An Act Respecting The Acquisition Of Rights To Minerals In The Province'. (Bill No. 50)

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

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: Thank you, gentlemen. Thank you, Mr. Speaker. It is very nice to realize, Mr. Speaker, that somebody knew you were gone. I mean if I had come back and nobody has realized I was gone I suppose it would have been worse.

MR. NOLAN: We missed you when you were gone, not saying in what way though.

AN HON. MEMBER: You mean gone or away?

MR. CROSBIE: That is right. In fact I have been up since three o'clock this morning, Mr. Speaker, so I am practically gone again now. Anyway, Mr. Speaker, this is not a piece of housekeeping legislation. This is a major piece of legislation, the new Minerals Act. It is the culmination of the complete revision of the mineral policy of the Province that has taken place in the last two or three years, most of which was initiated by my predecessor who is now a civilian outside of this House of Assembly, Mr. Leo Barry.

MR. NOLAN: Wants to run though.

MR. CROSBIE: You never know when he will be running again. Now, Mr. Speaker -

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: That is right. Now, Mr. Speaker, this legislation if passed will replace the present Crown Lands, Mines And Quarries Act. That legislation was enacted in 1951 and of course has been amended many times since and the present revised Act consolidated all those amendments. We had a study group in mining that delivered a report in 1973. They found a number of shortcomings in the act and in the legislation. They and the present government were critical of the mineral policy of the previous administration particularly with respect to the fact that many areas of the Province were withdrawn from the operation of the Crown Lands, Mines and Quarries Act and large exclusive mineral exploration agreements were entered into with various companies. That study group and the commissions that have look at this have all agreed that the agreements previously made were for areas that were too large, for periods that were too long and with requirements for exploration expenditures that were much too low.

In addition some of those companies were given special tax privileges and were exempt from the laws, the general Mining Tax Act and so on. Now, Mr. Speaker, under this legislation that system is

Mr. PROSEJE:

going to be replaced and any further mining exploration in the Province after the end of this year - it will take to the end of this year to prepare the regulations - from then on will come under the new Act. There will then no longer be special concession systems for various companies with long periods and so on. They will all come under the new mining act and leases given will come under this new legislation.

In addition to which any mining lease given will be subject to the new Mining and Mineral Rights Tax Act. So there will be no special tax arrangements afterwards.

Now under the new legislation mineral rights in the future can be acquired by either of new methods. The principle method which will apply to the Island part of our Province and certain parts of Labrador will involve a mechanism where there will be competitive prospecting and exploration by anyone who wants to search for minerals. The exclusive right to explore any area of interest can be acquired by any person by staking forty acre claims on the ground and the regulations will establish the procedure. They then record the staking with the department and they carry out their specified kind of exploration. They have to report each year on what they are doing. That method has been in effect under our new policy since 1973 but this will now provide for general tightening of that.

Then license issued pursuant to that method will be a ground stake license. In certain areas where there are no boundary complexities you will be able to instead of going out on the ground and staking it do this through the department by selecting uniform blocks as set forth on maps in the department. Licenses issued under that system will be known as map stake licenses. Either kind of license will be limited to a five year period. So under the first method you can either stake the area on the ground or do it through the map if that is possible.

The second method of acquiring mineral rights will apply to isolated areas such as a large part of Labrador where there still

MR. CROSBIE:

may need to be incentives to bring in exploration companies. In those cases larger areas than the areas permitted under the staking method will be allowed and the monies required to be spent in exploration may be lower. But a license under that procedure will be limited to four years and there will have to be a guarantee deposit to ensure that the applicant is acting in good faith.

MR. CROSBIE:

A license under the second method could not exceed an area of 432 square miles.

Now, Mr. Speaker, that is in contradiction with the present situation where we have thousands and thousands of square miles held by Brinco or Briney or by Malco.

MR. NOLAN: Would the minister permit a question?

MR. CROSBIE: Sure.

MR. NOLAN: If someone discovered oil for example on their own property - I do not mean at sea, offshore and so on - what rights do they have to that found under our laws and regulations?

MR. CROSBIE: Well if they own it, it would be simple if they have any right to own. I would have to check that but if they owned it, it would be simple. They have the right to minerals under it. But this legislation does not deal with petroleum.

MR. WICKHAM: But 'John' again you have to look at the crown grants. Sometimes there are reservations in these crown grants.

MR. CROSBIE: Yes. It depends on the crown grant too of course because a lot of the crown grants reserve for the crown.

MR. NOLAN: Why I asked is that someone told me that out in Alberta that does not necessarily apply. If you have it on your own property even, you cannot necessarily own oil that comes out of the property.

MR. CROSBIE: Well it depends on whether the original grants reserve for the crown minerals or oil or gas. Sometimes they did and sometimes they did not.

MR. MITCHELL: There is no sign of anything up in Topsail Pond 'John' is there?

MR. NOLAN: I have to price it.

MR. CROSBIE: Anyway a license under the second method cannot be for an area greater than 432 square miles. Now under either type of license the holder has a right to a mining lease for any area in which there is a mineral discovery provided he has complied with the terms of the license. The mining lease will not exceed a term of twenty-five years. The present act provides for fifty years. The lease will

MR. CROSBIE:

require him to commence mineral production within five years. At the present time there is no stipulation. And it will be subject to cancellation if production does not start up within five years or if it ceases for five years.

The regulations will deal with rentals. But it is recommended that it will be six dollars per acre per year, the rental for a mining lease rather than ten cents per acre per year as it is now. There are other provisions in the bill that hon. gentlemen will have had a chance to look through in Committee. One important aspect is so that the government can be fully informed about who owns mineral rights. Under this legislation all transactions relating to mineral rights will have to be registered with the department and no transfer or assignment will be effective unless it is registered. That is not the case today.

MR. ROBERTS: Does it not have to be registered anywhere?

MR. CROSBIE: It does not have to be registered today. So often you do not know who the subleasee is or who it has been assigned to. But under this new provision the assignments or transfers will not be effective unless they are registered. That is so that we will have all the information that is required on minerals in the Province.

Now there is a second act here which just separates out the quarries provisions of the old Mines and Quarries Act so that this legislation now before the House only deals with minerals. The next piece of legislation will deal with quarries. There is no change really in the quarries materials bill. It is pretty well the same as the current legislation but the administrative function should be more efficient.

So if the House passes this bill and the quarries bill there will have to be a lot of work done on it, new forms, setting up the registers, maps, administrative changes. It is thought that the bill will be proclaimed early in 1977. Mr. Speaker, this legislation I think is an important step forward and I expect that the Opposition will, I feel sure that they will be supporting this change in the present mineral legislation in the Province. The policy has already

MR. CROSBIE:

been changed and has been for the last several years. Under the legislation from now on once this goes into effect anyone who wants to search for minerals in the Province except if they have already got a concession - we will have to wait until the concession expires - will have to operate under this Act.

MR. ROBERTS: Are there any freehold concessions for the Brinco people?

MR. CROSBIE: No, Brinco's areas are all up by 1985 I think. They have to surrender them.

MR. ROBERTS: Oh, oh!

MR. CROSBIE: Yes. The rest all fall in different periods of time.

MR. ROBERTS: If the minister will permit me?

MR. CROSBIE: Yes.

MR. ROBERTS: By when will all the concessions have expired? Is 1985 the outside date?

MR. CROSBIE: No, there are others later than that. I have not got them all.

MR. ROBERTS: Significantly later?

MR. CROSBIE: I think there are some going to the 1990's, some of the Nalco ones I think. They may be cancelled by other means if nothing happens. I have not got that information here.

So, Mr. Speaker, this is the new mineral regime if it is passed. I think this will be a big step forward. Already under the new policy there has been a considerable increase in mineral exploration in the last two years. Greater sums of money have been spent. There is more interest. I think this is the way to go, that the old attempt to give tremendously large concessions did not work. It did result in some mines but it discouraged other people. I believe it is a good piece of legislation and I, therefore, am happy to move second reading.

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

MR. ROBERTS: Thank you, Mr. Speaker. The minister's eloquence after-three o'clock this morning and it is now nine o'clock we will say in round numbers - after eighteen hours on his feet is sufficient to remove such doubts as we may have had on the legislation, Mr. Speaker, and we are quite prepared to support it. The minister says it is a major step forward, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: I will not say there has been an improvement in the Chair but I may say there has been a pleasurable change which every member of the House welcomes although the hon. member for St. George's (Mrs. MacIsaac) brought many qualities to the Chair that the hon. gentleman from Fogo (Capt. Winsor) lacks, I am glad to say.

Mr. Speaker, the minister says that the legislation is a major step forward. I do not quarrel with that. But equally I do not get terribly excited about it. As long as I have been involved in public affairs in this Province - and that is what? Twelve years or so now? - there has been a raging debate over which of two regimes of disposing or alienating the crown estate in minerals should be followed. One school of thought maintained that we should have a system whereby concessions were given to companies by the crown. I think all of those concessions were given under legislative authority of the House. The minister nods affirmatively. You know there must be twenty-five or thirty pieces of legislation on our statute books. Indeed there are one or two that have been dealt with by the House this session which are usually, you know, a bill, an act to ratify an agreement between the crown as represented by such and such a minister on the one hand and a certain company on the other hand.

MR. NEARY: Commodore Mining.

MR. ROBERTS: There is a Commodore Mining one my friend from LaPoile (Mr. Neary) tells me, Order No. 15 on today's Order Paper. So you know that is one way for the crown to dispose of mineral rights.

The other way is the way represented by this bill and that is to have a staking system, to open certain areas of the Province and say to any licensed prospector-and pretty well anybody can become a

MR. ROBERTS:

licensed prospector - go in and look around and if you find something that you think looks promising then you can stake a claim on it and staking a claim as I understand it is literally that. You drive your little pegs in the ground in the prescribed manner and you rush off and notify the appropriate official of the government and you are considered to have staked your claim. From then you have certain rights which are contingent upon your developing the asset. You just cannot stake your claim and then sit on it indefinitely.

Mr. Speaker, as I say, as long as I have been around the question has been argued vehemently. I think it is fair to say the former Deputy Minister of Mines, Mr. Fred Cover, felt very strongly that the policy which the Province followed for many years was the correct one. I have often heard him say it. I think it is equally fair to say that the officials from DPEP and the Energy, Mines and Resources people in Ottawa long argued directly the opposite. That is what I was going to say. I can remember when Mr. Tom Kent became the first deputy minister of DPEP many years ago and he and I have a good acquaintanceship. We are long time friends and acquaintances.

Going back to the Kingston Conference the gentleman from St. John's West (Mr. Crosbie) and I were I think the only two Newfoundlanders there - what? - fifteen years ago.

AN HON. MEMBER: Oh, oh!

MR. ROBERTS: No, it cost me nothing. I do not imagine it cost the hon. gentleman for St. John's West (Mr. Crosbie) very much.

MR. MURPHY: He paid for the member -

AN HON. MEMBER: What did it cost the Province.

MR. ROBERTS: Well it may have cost the Province a great deal, Sir, but it has brought even greater benefits to the Province I am happy to say. Mr. Speaker, the EMandP and the DPEP officials in Ottawa acting on EMandP always felt that we were following the wrong policy

MR. ROBERTS:

in this Province. Well be that as it may we are now coming to a different type of approach and I certainly have no objection to it. I think only the test of time will tell us whether it is the wise approach or not.

Really the development of minerals is a fairly straightforward matter. First of all it is necessary to locate them. I am not sure - I guess we have a pretty good idea of what mineralization there is now in this Province. The minister's department have published a number of studies recently done under the agreement between this Province and Ottawa through DPEE. A lot of

MR. ROBERTS: studies are being done, they are being published and between those and what has already been done, I would think we probably have a pretty fair idea of what mineralization there is in this Province. We do know we have many mineral bodies that are not developed because they have not met the second test. The first test is to locate them and the second test is the harsh, cruel laws of economics. When the numbers work, when the cost of development can be met and exceeded by the recovery from sales, then we get the mines open.

The gentleman from Green Bay (Mr. Peckford), would be intimately familiar with this because he has seen mines open and mines close. In the case of the mines in Green Bay, they are linked almost directly to the market price of copper. If that goes up by a sufficient amount the mine can open and if it goes down the mine must close. It is that directly located to the market. Well that is two things.

The third thing to be said about minerals really, Mr. Speaker, is that a mine begins to die the day it is opened, and there is a given ore body and when it is mined out then the mine closes. We have seen that happen in a number of places in this Province. It is not the case on Bell Island. There is still any God's amount of ore on Bell Island. Everybody knows that the problem on Bell Island is a different one. The numbers just do not work any more. The costs of processing the iron ore at Bell Island, high phosphate as it is, are not justified by the market return given the new technologies. So there we are.

Everybody says that minerals are a great potential for the Province. I accept that but I am not terribly carried away by mineral development for a number of reasons. First of all, for the factors which I have outlined it is a very chancy thing. You cannot plan an economic development strategy really on mineral development because we have absolutely no control as a Province over mineral development. We can say,

MR. ROBERTS: "Do not do it" but other than that, really, that is all we can say.

The next point he made is that the capital investment required is huge. Equally the production is huge. The Gross Provincial Product in this Province is excessively misleading in the sense that three or four hundreds of millions of dollars of the Gross Provincial Product is represented by the production of the iron ore mines in Labrador which provide one-third of the jobs of the fisheries. Yet, they provide ten times the Provincial Product. In that sense it is misleading. The capital investment is huge, the production is huge, as is seen on the G.P.P., but the return in jobs, which after all is the big return which we seek in economic development, that return is very, very small. Of course, by definition it is of short duration. We have a new mine open in Daniel's Harbour that is bringing prosperity to the area. It is doing very nicely, the tech mine there, but what has it got, ten or twelve years reserves?

MR. DOODY: Nine proven.

MR. ROBERTS: The Minister of Finance says nine proven. Well that belt of mineralization extends right up into Hare Bay and we know there is a lot of prospecting going on. There may be further mining development, but again fairly short-term. You cannot build a Province on mining development.

MR. MURPHY: It is not renewable.

MR. ROBERTS: Well, the Minister of Provincial Affairs, as he still is, points out it is not renewable. That is the whole point of it, it is not a renewable resource.

Then the final point I wish to make on it is quite simply that we do not get very much out of our minerals in this Province. This is the old question of further processing and we could go on to great length about it, but we do not need to. All that I want to say is that this must be to me the cardinal point in mineral policy, not getting the stuff out of the ground. Because if it is there, and if the numbers

MR. ROBERTS: work, some company will come along, not to do us a favour, but to make a whacking great amount of money. They will take it out of the ground and they will leave us with a great big hole in the ground and with the unemployed men when it is all over. What we have to do is to ensure further processing. I think that is the area where governments can act. Again, we cannot argue with the laws of economics, but I think we can do a lot more than we have done. It is one of the areas where I would suggest attention needs to be paid.

Having said that, Mr. Speaker, the bill itself is really, you know, it is relatively straightforward. It is a long bill, it has all the usual boiler plate in it. I have looked it through and it seems to be fairly straightforward and fairly unobjectionable, once we accept the principle of following the staking system as opposed to the concession system.

Well the concession system, I think, has worked well. The staking system might have worked better or it might not, we can never know. There are certainly reputable bodies of opinion on either side of the argument, and I am not prepared to say one is right or the other is wrong. I am quite prepared to go along with the minister's request that we adopt this new system, and if it does not work, well then, in two or three or ten years, whenever it becomes apparent that it does not work, we can certainly go back to the old system.

MR. DOODY: It is really a modified concession.

MR. ROBERTS: The Minister of Finance has anticipated my point, because the point I was going to make is that the two are not incompatible. Because under this system, embodied in this bill, if a company discover a substantial body of minerals and wish to develop it, they will stake it, and in effect, they will have a concession. All that has happened is that instead of the companies prospecting on their own, prospecting will be done by individuals or small partnerships or small groups. And instead of, well I know it preserves the

MR. ROBERTS: existing concessions, and so it should as a matter of polity, but instead of BRINCO contracting in respect of a given area of land to spend so many hundred thousands of dollars a year, the contractors will go in, and I suppose in the long run the results will be the same.

Mr. Speaker, there is only one other point I wish to make on it. I notice this bill has in it a proclamation section. Well, that is not unusual but it has the one that I consider, and if I can have the ministers attention for a minute on this, the one that I consider unusual and in the absence of an explanation I would consider it objectionable. The bill can be proclaimed, or the Act when it becomes such, can be proclaimed in whole or in part. Well again I do not like legislation that can be proclaimed in part. I think that a bill is put together and put to the House of Assembly as being a totality. It is discussed by the House and adopted by the House as a totality representing a plan, a regime, to use the minister's word, a scheme of doing things. Unless there is some reason why, I mean, there might be some thought, there may be some suggestion, there may be some valid suggestion that portions of the bill should be adopted and not other portions. Well I do not particularly object to it if there is a reason, but if there is no reason, and the minister when he closes the debate can perhaps touch on the point, then I would ask if we could amend that section in Committee and say that the bill - of course it has to be subject to proclamation. It would take months to get regulations worked out and forms prepared and all of that sort of bunk - but let us agree that we either go ahead with this as a totality or we go ahead with it not at all. We do not go ahead with it in part.

Of course my objection is quite simply founded. It would be, for example, quite possible to proclaim all of the things the government feel would help the government and not to proclaim the things which the government might consider to be onerous. There is a board set up under this with certain

MR. ROBERTS: rights of appeal to deal with matters arising out of the administration of the Act. Well, you know, it is quite possible, as this bill now stands before the House, not to proclaim that section and thus take - and I do not think that is the point. I am sorry, I do not think that is the thought of the government. I suspect this clause is in, as so many of these are, because the draftsman just put in standard clause No. 623 which is the boiler plate clause saying, "Proclaim the bill in whole or in part" and he stuck it in and that is the why it is there. So I would invite the minister perhaps to touch on that.

Mr. Speaker, I could say a great deal more but I do not think it would serve any real purpose. The bill is not exciting. It may be very worth while and I for one will certainly await the outturn of it to see what can be done. If it can improve the mineral development or the development of minerals in this Province then I am all for it. I do not get carried away by mineral development, but certainly it has to be a vital part of any economic development scheme in this Province.

In closing, Sir, let me say two things. First of all my colleagues and I shall support the bill and secondly, perhaps the minister will, when he closes the debate, give us a few words to let us know what prospects there might be with respect to further processing of minerals in this Province. Because as I said, this is the area where I think we can get the payback in terms of jobs for the Province, in terms of returns to the citizens of this Province, and that is what interests me, Sir. The rest of it, helping big companies is of no concern at all to me. My concern is to see what we can do for the people of this Province. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, as an old mining man myself, Sir, I could not let this bill pass without having a few words. The first thing I would like to ask the Minister of Mines and

MR. NEARY: Energy is if the minister could tell us, and I believe it relates to this bill, just exactly what the situation is in connection with the lifespan of the Buchans mine. We have been told in this House, I believe, by the former Minister of Mines and Energy that Buchans, I think, had a maximum of five years. If it was possible to mix up the high grade ore with the low grade ore then the lifespan of the Buchans mine may be stretched out to ten or fifteen or twenty years.

Mr. Neary:

But I believe the minister now while we are discussing the rights to minerals in this Province might tell us now exactly what the situation is in Buchans. Do they only have three or five years to mine out there? Is there going to be a state of execution? Has there been any reserves found. Just what is the situation in connection with the Buchans mine?

And I would also like to ask the - because we have the report from the Task Force on Buchans. And the minister apparently does not see fit to make it public, I do not know why. I agree with the hon. member from Windsor-Buchans (Mr. Flight) that there is no reason in this world why that Task Force should not be made public. After all, Sir, the people who live in the community of Buchans should know just precisely what their future is going to be. Any day at all the axe is likely to fall right down on their skulls. And I believe the minister is morally obligated to make that report public, at least to make it public to the people in the community of Buchans.

And I would also like to ask the minister what is happening concerning that uranium deposit in behind Postville and Makkovik. Will that development go ahead this year? And can the minister tell us if there are any other interesting and exciting discoveries made over the last year or two that have great possibilities, that can be operated on a commercial basis? I am not asking the minister to give the House any private or confidential information, but certainly Newfoundland has been gone over in the last few years with a fine-toothed comb, Mr. Speaker, and maybe the Leader of the Opposition is right when he states that there is not much left in Newfoundland to be discovered, but I am a little more optimistic than that, Sir. I believe that there are still a lot of minerals in Newfoundland to be discovered. And in this regard, Sir, I want to take off my hat, I want to tip my hat to a Newfoundlander, Mr. Lew Murphy, the President of Commodore Mining. I believe, I am not absolutely certain but I believe Mr. Murphy and Commodore Mining which is a Newfoundland Company

Mr. Neary:

are the only Newfoundland owned company as far as I know that are out searching for minerals in this Province, and have been for a considerable period of time. I remember on one occasion I believe that Mr. Murphy and Commodore Mining wanted access to the American Base at Argentia, and they were refused to go in on the Base to search for minerals, apparently they had discovered something that was very interesting and the seam seemed to go in on the American Base but they were not allowed to go in there because the Americans had a ninety-nine year lease. Is there any provision in this Act that would give a company like Commodore access to the American Base in Argentia? I would assume, Sir, that the exploration that has been carried on in that area was probably never complete because I suppose the people who were doing the exploration were afraid to go in there afraid they might get shot by the Americans. And I do not know if they ever got a chance to discover or not, whether there was anything worthwhile on the territory that is occupied by the Americans in Argentia. But perhaps the minister can tell us now whether this bill, I know there are some pretty strong provisions in this bill as far as access is concerned, but will it give Commodore Mining the access to the American Base in Argentia, that is providing they still want it.

But I do, Sir, want to congratulate Mr. Murphy and Commodore Mining for being the only Newfoundland company that I know of that has persisted in exploring Newfoundland for minerals, the only one. And they have done a tremendous service to this Province. And I believe we either have a bill before the House or a bill was passed when I was coming up to exchange or to grant Commodore Mining concessions in Labrador, and I believe this is the first time that Commodore has moved into Labrador to my knowledge.

Now, Sir, having said that I must say that I am inclined to agree with the Leader of the Opposition, as a matter of fact I whole heartedly agree with the hon. gentleman when the hon. Leader made the valid point that it is not the minerals themselves, Newfound-

Mr. Neary:

land is not getting the returns that it is entitled to on its minerals. And the only way that we can benefit really that we can create jobs, and we can increase our Gross Provincial Product, and really benefit by the minerals that we have in this Province is for further processing as the hon. gentleman put it, that means setting up factories and setting up steel plants and that sort of thing for further processing. And my understanding, Sir, that this was the whole idea when the gypsum plant was built in Corner Brook, and the discovery of gypsum was made down near St. George's where they have the only overhead I think transportation of ore in the world or certainly in North America. And my understanding was that when Flintkote moved into St. George's that this gypsum was to be processed in Newfoundland. But I understand now, Mr. Speaker, that most of the gypsum that is mined there near St. George's is being sent out of this Province, and there is no reason for that. No, reason in this world, Sir, why we should allow gypsum to be exported out of this Province, it should be processed in Newfoundland. And the same way with the talc over there in Manuels is it or Long Pond, over in that area. That talc should be processed here in this Province. And I suppose you could say the same thing about iron ore for that matter. There is no reason why we should not have smelters and a steel plant in this Province. The same thing with fluor spar. So, Mr. Speaker, if we are ever going to get the benefits that Newfoundland should be getting from the minerals that are presently being mined in this Province, and for the minerals that may be discovered in the future, the only way we are really going to benefit from these discoveries is to have the mineral processed in this Province. I do not know if there is any way under this bill that the minister can have it written into the agreement when a discovery is made, it is found to be on a commercial basis that when the government is entering into an agreement with the mining company whoever they may be that they would insist that where possible there would be further processing in this Province.

Mr. Neary:

And, Mr. Speaker, while I am on my feet to this bill is taking the place, and it is a tremendous improvement by the way over the old system in my opinion, because now you are going to encourage more people, more people will take the initiative in coming into this Province or more Newfoundlanders I hope will go out searching for minerals, carrying out explorations. I know Jack Dodd is a gentleman who has done a lot of work in this regard, as a matter of fact only about six or seven weeks ago Mr. Dodd arrived in my office with a gentleman from Isle aux Morts and his sister who told me that they had discovered gold near Isle aux Morts. So they did not want to tell anybody or actually pinpoint the location where they had discovered the gold because they were afraid somebody may go in and stake a claim. So I sent them over the Crown Lands people and to the mines people and they discovered I believe that that whole area near Isle aux Morts is - the concession was granted years ago to Brinex I believe it is or Brinco. And so perhaps the minister could tell us what would happen, because there are a number of people now going around Newfoundland picking up rocks, doing a little exploration on their own, searching for minerals and so forth and so on, what would happen if one of these people were fortunate enough to strike gold, say, for instance, on a piece of property that Brinco had a concession on or Brinex has a concession on at this moment? Is there any way that these people could participate, if you want to put it that way, any benefits that may be derived from that discovery or would the people who have the concessions just move in and say, no I am sorry but we have the concession here, you have discovered the ore or the gold or the lead and zinc whatever it is,

MR. NEARY: we will give you \$25 for your trouble, or \$100 for your trouble and send you on your way. Is that the way it works or perhaps the minister can explain it to me because I am not quite clear. I did not know what to tell this gentleman when he came to see me. I asked him to send me in a sample of the rock that he had discovered so I could send it over to the University and have it analysed and then I intended to take the result of the laboratory report to the minister's officials to find out if it was a good strike and if so what rights this gentleman had? Because somebody else has the concession in the area.

But, Mr. Speaker, one other point that I would like to raise, having come from a community where mining was carried on for seventy-five years, when the mining company pulled out there was quite a hole left in the ground and you would find the same thing in Buchans, there is quite a hole left in the ground out there. The company, Dosco on Bell Island, came in and destroyed the whole countryside. First of all they started off stripping on the surface, surface mining, then they got underground and they left a tremendous eyesore in the community. Is there any way under this Bill that when the government enters into an agreement with these mining companies that they would be compelled to put the property back in the same condition which they found it.

I believe the minister was away in the last few weeks when I raised a matter in this House that there was a cave in over on Bell Island in an area called the number five area. It is away up in the West end of the Island. I do not think there has been any mining done there since about 1920. It is one of the first areas that the Nova Scotia company mined when they came to Bell Island. A few weeks ago there was a cave in. There is a hole in the ground now, a crater of about fifteen feet and anywhere from forty to fifty feet deep. And it is a real hazard for children because a lot of kids go down that way in

MR. NEARY: the Summertime, down towards the back of the Island swimming and it is a real safety hazard and I do not know if the minister is aware of it or not or if the minister was here when the matter came up. But if the minister was not I want to bring it to his attention now and see what is going to be done about it. The only cure that I can see for it is to blast it in, fill it in and blast it down.

Then there are the openings in these mines that are still there, number four and number six main slopes. The openings are still there. I presume the openings will be safeguarded and protected and that the openings will be kept open with just a steel gate until such time as a decision is made on whether or not oil will be stored in the Bell Island Mines.

But, Sir, we have a lot of quarries and a lot of ex-mining areas in the Province where companies have walked away scott free and were not compelled to put the property back in the same condition in which they found it. That is one provision that I would like to see in this Act or in any agreements that the minister may enter into with companies that come in here in the future. And if possible companies that are operating here now. Because they come in here and nine chances out of ten they are foreign companies, most of the money goes out of Newfoundland and as the hon. Leader of the Opposition said, a mine starts to die the day it starts operating. And the company will make their big profits. Their head offices are probably up in Montreal or in Toronto somewhere. In the case of Flintkote I think, out in St. George's in Toronto. They send their big profits outside this Province, no further processing, leave a big hole in the ground and leave a trail of unemployment behind when they pull out.

MR. NEARY: I have always contended, Mr. Speaker, that mining companies, whether they are currently operating in this Province or whether they come in here in the future, they should be compelled to lay aside ten cents a ton on their ore to be put into a special fund for the day that that mine closes, so that the employees of mining companies will not be thrown over on the government. And I saw this happen in the case of Bell Island. In less than seven years 2,300 men became unemployed and it is something the minister should think about when entering into agreements with mining companies that they put ten cents a ton into a special fund and that that fund be held in reserve for the day that the mine stops operating and that the fund be distributed to the employees of that company.

MR. WOODROW: How would that be established, a good pension and a good severance pay, would that be the same?

MR. NEARY: Well if they established a trust fund along the lines that I am recommending they could pay it out in a pension. I know my late father worked with Dosco for I believe it was twenty-five years, when he retired he got a pension I think it was \$28.50 a month.

AN HON. MEMBER: Peanuts.

MR. NEARY: Peanuts and you would be surprised the number of miners on Bell Island today who are getting a pension ranging anywhere from I would say \$10 to \$12 a month, maybe the younger ones who managed to get in on the contributory pension plan that came in about twelve years before the mine closed, ranging I would say anywhere from \$10 a month to \$12 a month up to \$150 a month maximum.

So these provisions -

AN HON. MEMBER: The same thing will happen in Buchans.

MR. NEARY: I do not know about Buchans. I do not know if they

MR. NEARY: have any provision for special pension funds, severance pay or anything else. I doubt it very much. Because these companies did not even pay municipal taxes. They were exempt from municipal taxes. I know the company over on Bell Island, Dosco, when I was on the Council, I was on the Town Council over there for twelve or fourteen years, you could not get anymore. Well they were only compelled to pay \$1,000 in municipal taxes. They were eligible to pay \$10,000 but you could never get it out of them. \$1,000 is all we could get out of Dosco legally because they had a special exemption. They were given a special exemption when they came in and started mining the ore over there.

MR. MURPHY: The best place that ever you had down on the Green.

MR. NEARY: I beg your pardon.

MR. MURPHY: They supplied all the amenities on the Green down there.

MR. NEARY: They undermine the Green and it is a wonder the Green has not gone right down in the Atlantic Ocean. They supplied amenities my eye. They left an eyesore right down by the hospital on Bell Island, the Dr. Walter Templeman Memorial Hospital. There is a pile of rock there and here you have got these beautiful homes now over on the Green, all the shacks and everything have been cleaned out and here you have got these people looking out their front windows at a pile of rock that was picked out of the ore and it is piled up there and it has never been levelled off and there is all kinds of room there to bulldoze it down and make a beautiful park there and it would be truly the Green.

MR. MURPHY: I thought they cleaned up the eyesore down there.

MR. NEARY: No, they never cleaned it up. They left a mess behind and they will do the same thing in Buchans and

MR. NEARY: They probably did the same thing out in Tilt Cove and Whalesback.

MR. WOODROW: Is there a definite exemption from Bowaters in Corner Brook or what?

MR. NEARY: They have a definite exemption, the maximum.

MR. WOODROW: Indefinite. Indefinite.

MR. NEARY: Indefinite, yes it was indefinite.

MR. WOODROW: In other words they did not have to pay anything if they did not want to.

MR. NEARY: When Dosco pulled out of Newfoundland, when they pulled out of Bell Island and left Newfoundland, the Province I believe had to threaten to take them into court to get the royalties that were owed to the Province, and that was only ten cents a ton I think they were paying royalties on the ore. It was just a drop in the bucket. So anything, Mr. Speaker, is an improvement over what we have had in the past.

And only one other question I want to put to the minister before I take my seat, and that is in connection with the mining school that was supposed to be established in Whalesback I presume it is. Is it Whalesback the mining school?

AN HON. MEMBER: Whalesback.

MR. PECKFORD: It is now Green Bay Mining.

MR. NEARY: Green Bay Mining, the Green Bay Mining Company closed down because of difficulties in the markets I presume, the price dropped, but the government told us they were going to establish a mining school. Well now the mining school may be more urgent now than ever because if we are going to make prospectors out of Newfoundlanders and get Newfoundlanders out exploring the Province and searching for minerals and so forth and the possibility of new mines opening, well I would like for the minister to tell us now what has happened to that plan to open the mining school. I claimed it should be open in the Bell Island Mine but of course my hon. friend from Green Bay was arguing that it should be opened in Whalesback, Green Bay Mining Company.

June 10, 1976

Tape No. 3365

NM - 6

MR. MURPHY: An application from Buchans there too?

MR. NEARY: No doubt my hon. friend from Buchans will
put in his two cents worth when the hon. gentleman gets up
to speak.

MR. MURPHY: They have a talc mine in Conception Bay, in Manuels.

MR. NEARY: No, I think the type of mining school that the government had in mind was for underground mining. Underground, underwater operations. Anybody can mine on the surface. Anybody who does construction work of any kind can mine on the surface. It is a simple matter mining on the surface. Mining underground, and especially under the sea is a different matter. So I think this is probably what the government had in mind and I would like for the minister now, when he is winding up this debate, to give us a progress report on the mining school.

I do agree with the minister, Sir, in his statement that he made in his introductory remarks that the concessions heretofore were too large, the periods of the concessions were too long and the expenditures, the amount of money that the concessionaires were compelled to spend was too low. So I would say, Sir, that the minister will have no difficulty at all in getting me to support this bill, and I do hope that over the next few years that it will bear good results for Newfoundland and for Newfoundlanders.

SOME HON. MEMBERS: Hear, hear!

MR. DOODY: Carried.

MR. FLIGHT: No way, carried!

Mr. Speaker, I want to address myself specifically to a point here in this bill that concerns me, and it is very relevant, I think. In the explanatory notes it says that the will would preserve the rights of all persons holding mineral rights under the repealed Act until those rights expire. The provision of the bill would thereafter apply to those minerals.

Now, Mr. Speaker, I want to deal specifically with the Buchans situation. The minister well knows that we are looking at the last two or three years of mining in Buchans, assuming that the present rate of production is maintained

MR. FLIGHT: and the ore bodies that are being mined now if there are no more ore bodies found. So, Mr. Speaker, the rights to the minerals in Buchans are held by Price (Nfld.) and mined under agreement with Asarco. There are ore bodies apart from the main ore body that is being mined right now.

Mr. Speaker, before I continue may we have a quorum count, please?

MR. SPEAKER: Order, please! I would ask the Clerk of the House to count the House.

I am informed there is a quorum present. The hon. the member.

MR. FLIGHT: Thank you, Mr. Speaker.

Now to get back to the mining situation in Buchans, Mr. Speaker, if the Minister of Mines or this government is interested in extending the mining life of Buchans, then they will heed what I am going to point out right now, if indeed they are not already aware of it and have done nothing about it. Under this Act it would seem to me, and the minister can correct me, as a matter of fact if I am wrong I will yield for him to correct me, but if I read this right under this bill any rights now held by mining companies in this Province continues. The rights of the minerals in Buchans are held by Price (Nfld.) and mined under an agreement Price (Nfld.) and Asarco.

It is a fact, I think we have to accept it as a fact, we have to be realistic, that at the present rate of production in Buchans, given the fact that we mine the known ore bodies, the Buchans mine might well close in two to three years, of it not, less.

Mr. Speaker, Asarco have discovered ore bodies around Buchans, adjacent to Buchans. They have discovered ore bodies of high grade ore. The problem this time is that there is not enough tonnage, or so they say, to warrant production. The figures given, and these figures come directly

MR. FLIGHT: from the top people in Asarco in Buchans, the figure given is around 500,000 tons. One of these particular ore bodies is located approximately eight miles from Buchans.

MR. PECKFORD: That is copper.

MR. FLIGHT: That is copper, lead and zinc.

MR. PECKFORD: The others are under the lake.

MR. FLIGHT: No it is not under the lake, it is on the side of Red Indian Lake. Asarco have already acknowledged that if they were to mine it they would build a road into the mine site and truck the concentrate back to the mill in Buchans and thereby it would be a viable operation, assuming there was enough there.

But here is what I am contending, Mr. Speaker, and here is what people are asking in Buchans. If there is any desire on behalf of this government or on behalf of anybody, I am sure this government is just as desirous of seeing Buchans continue as I am, but the fact is that Asarco should be told to mine that ore or give up the rights to it. Because if it is not viable to set up a mine in their to mine it, it may well be viable to mine it now and supplement the ore that they are mining in the main operation.

If the small ore bodies around Buchans were worked right now and mined and smelted in conjunction with the workings of the main ore body, it could well extend the life of the mine itself for two three or four years. Why Asarco is permitted to discover these ore bodies, mark them, ascertain the tonnage and the grade and then decide whether or not they will mine them is something I do not understand, if indeed we are concerned about the fact that we have to extend the life of that mine. Because I contend, Mr. Speaker, that if the ore in those small ore bodies in the immediate Buchans area, if the quantities are not there now to warrant a mine, then certainly if they cannot be mined in

MR. FLIGHT: conjunction with Asarco's operation in Buchans right now, then certainly I cannot see them warranting a mine by any small operator or anybody else. The message here, Sir, is that Asarco, and the minister I think should take it upon himself and his department should take it upon itself to ascertain from Asarco exactly what known reserves there are in the Buchans area and either have Asarco mine it or give up the rights to it.

MR. PECKFORD: No company is going to come in to mine 500,000 tons.

MR. FLIGHT: That is the whole point. I agree! I agree! But if we decided to determine whether or not it would be viable for the American Smelting and Refining Company to mine it in conjunction with their mining the high grade main ore body.

MR. PECKFORD: Say that again.

MR. FLIGHT: It is not conceivable to me that as the minister said, that this would constitute a mine in itself after Asarco closes, these small, you know. But it is conceivable to me that it could be mined and Asarco, maybe, should be told to mine it as long as they are prepared to mine the high grade. They have already said that there are ten years of low grade ore underground there in Buchans and they are not prepared to mine it because they cannot make enough money on it. But they are making lots on what they are mining right now. So that I am suggesting is that they be told - there is no question about the grade. It is good grade but it is the quantity, and I am suggesting to this House that Asarco or any other mining company, while Asarco has that mill operating at full capacity, while they have the mine going now at full capacity, that operation in Buchans - they should be told to mine it, to mine the ore body that we know is eight miles away from Buchans, mine it in conjunction with the mining they are doing right now or else give up the rights and we will lose nothing if nobody else ever mines it. But why should they have the concession and sit on it?

MR. FLIGHT: Why should they have the concession and sit on it.

MR. PECKFORD: There might be a Liberal concession on that.

MR. FLIGHT: That is the problem, a Liberal concession. But, Mr. Speaker, that is the problem in the future too. I have listened to the minister but I am not certain that this legislation would stop a company like Asarco who have been given great chunks of this country in concessions. They discover ore bodies in Great Burnt Lake or anywhere they have a concession, is there anything in this legislation that requires them to report that to the minister? I doubt it. They can sit on that for ten years. If they discover an ore body, if they are working an ore body they can sit on it for twenty-five years and say, "Keep quiet, we will not tell anybody, and when we are ready we will mine it,"

Mr. Flight:

that is what extended the life expectancy of Buchans by five years or this past four years getting away with that type of thing.

MR. WELLS: There is no way that you can tell a company not to do that.

MR. FLIGHT: No but there is certainly -

MR. WELLS: You can only go so far in latent ideas and then you just sit tight.

MR. FLIGHT: Right. But when somebody bring out to the minister that ASARCO have diamond driller and have discovered and pinpointed an ore body eight miles from Buchans then certainly we have got the expertise to go in there and determine just how big that ore body is and just what is in it, or we should if we have not.

MR. CROSBIE: That was a great Liberal concession -

MR. FLIGHT: It was not a Liberal concession. ASARCO started mining here in 1929, it was a great Tory concession.

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: It was a great Tory concession, it is Responsible Government, 1929 ASARCO started mining.

MR. NEARY: It was not all the Liberals -

MR. FLIGHT: It was the P.C.s.

MR. NEARY: Old Bully Boy is back.

MR. CROSBIE: Sir Robert Bond, the great -

MR. FLIGHT: Well the minister has changed everything else the Liberal Government have done, why does he not change this?

AN HON. MEMBER: Hear, hear!

MR. FLIGHT: You have took a crack at everything else. You have changed what is convenient to change, what was convenient for the government at the time.

AN HON. MEMBER: No, no, no. no not fair.

MR. FLIGHT: So, Mr. Speaker, I would like for the minister to - because he might as well answer me, I am going to continue to bring this up. I do not see why ASARCO should be permitted to sit on known reserves of ore while they are mining in Buchans right now, I do not see why they should be permitted to sit on it.

MR. NEARY: Who did all the high grading -

MR. FLIGHT: They are high grading, they are allowed to highgrade, they have high graded for forty years and as long as we permit them they will continue to high grade. And if this government are concerned with extending the life by one year then they will look into the possibilities of having ASARCO mine any known reserves that they will come up with in any close proximity of that town.

I would like to although I had no intention of doing it, the hon. member for LaPofle (Mr. Neary) put this in my mind, I have to refer to it, and it is the myth of the mining school. Because if this government have got any conscience at all, if they want to prove that they are sincere in extending the life of Buchans, and if in the next two or three years if there is any effort made to establish a mining school in this town, and if it is even considered for any other place than Buchans then they will have a hard time maintaining their credibility in the town of Buchans or in Newfoundland. Mr. Speaker, every possible back up that is needed for a mining school, the type of mining, open pit, open stoke, cut and fill, it is all in there, all backed by a machine shop, a carpenter shops, housing galore, so we have it all, and we have the need, Mr. Speaker, there are 500 men in there wondering what is going to happen to their jobs over the next two or three years. Some of those fellows would make as good a mining instructors as we will take out of any vocational school. So I am very confident as a matter of fact that if there is a mining school in this Province in the next two or three years it will have no choice but go to Buchans. The Minister of Manpower will be a very embarrassed man when he opens up that Task Force report, he is going to find that one of the high recommendations of that report is that a mining school will be considered for Buchans. So he is going to be very embarrassed when the Minister of Mines has to stand up and say it is considered for anywhere else. We will see then what part politics plays in the minister's decisions or any hon. ministers decisions.

Mr. Flight:

Thank you, Mr. Speaker, I will very much appreciate it if the minister would address himself to the first part of my debate.

MR. SPEAKER (DR. COLLINS): If the minister speaks now he closes the debate. The hon. Minister of Mines and Energy.

MR. CROSBIE: Mr. Speaker, I recognize that the hon. gentleman from Windsor-Buchans is very concerned about this problem. Well I mean we have to deal with this sensibly. After all his own party, and I presume that the present Liberal Party is the successor to the party that was in power here for twenty-three years from 1949 to 1972, and all of those twenty-three years the same situation pertained in Buchans as pertains today. If the previous Liberal Administration in Responsible Government days gave certain rights to the A.N.D. Company rights to the timber, rights to freehold, rights to the minerals, to huge areas of land. This was one of the great Liberal predecessors, Sir Robert Bond I think it was or what is the litany we always hear -

AN HON. MEMBER: The great Sir Richard Squires.

MR. CROSBIE: It was the great Sir Richard Squires, and the great Sir Robert Bond and there was the great, what was his name, with a W? The buddy with the W.

MR. WELLS: Whiteway.

SOME HON. MEMBERS: Whiteway.

MR. CROSBIE: Whiteway, and there was a great Whiteway. So it was Whiteway, Bond and, who was the other chap?

AN HON. MEMBER: Morris.

MR. SMALLWOOD: Squires.

MR. CROSBIE: Squires. Whiteway, Bond and Squires, these were the great predecessors, these were the great builders, these were the great gamblers, these were the great risk takers, these were the people that were building up Newfoundland, and he was a successor to them, and he was doing the same, and he built it up the same way, and the way it was built up was to give everything away.

MR. NEARY: Go back to Norway, boy!

MR. CROSBIE: So it was given away.

MR. FLIGHT: What about Brinco, 'John'?

MR. CROSSIE: So it was given away. Yes, and Brinco was given away. It was a great giveaway that went on, the great Liberal giveaways that went on for hundred years in this Province. And one of the giveaways was the mineral rights that the A.B.D. Company got in the beginning, in 1904 or 1905 which rights they have now entered into an agreement a number of years ago with ASARCO, and ASARCO operated under these rights that they have. Now this House can, if the House wants to pass legislation and unilaterally abrogate their rights and take them back. The question then will arise, what company of any substance in the world is going to enter into an agreement with the Newfoundland Government thereafter with the precedent of Unilateral doing away with that precedent in front of them. That is what prevents, you know, a lot of these bold things being done that the hon. gentleman mentions.

AN HON. MEMBER:

MR. CROSSIE: Brinco is a far different question, Brinco sold back to this Province, certainly they were given it by the previous administration, and we had to pay and pay them a fair price for it. And the same thing would happen with ASARCO or Price, we could not just unilaterally take away any rights they have got or take their property and not compensate them. You know, we have to keep it in that context.

Now this is a problem, I do not know, you know, whether ASARCO or any one other than ASARCO might mine in these desposit, the hon. gentleman mentions. You know, I certainly intend to find out, I have asked my deputy minister to find out what he can, and during the Summer I certainly propose to visit myself the various mining operations, including the one at Buchans, and discuss these questions with them, and if the hon. gentleman is around I will discuss them with the hon. gentleman. And I realize this is not a simple problem but the solution is not a simple solution. Because if, you know, a company, ASARCO or any other company has certain concessions that were given by previous administration we cannot just turn around and cancell

MR. CROSBIE:

them or change them without their consent or without compensation, so any solution to those problems is not a simple one.

Now whether the hon. gentleman's facts are right or not I do not know. I have no brief for ASARCO. The previous mineral policy of the Liberal Administration of this Province was abysmal in my opinion. And I have no use for ASARCO whatsoever when I see what ASARCO took out of Newfoundland and what Newfoundland got back. That was not just ASARCO's fault it was the fault and stupidity of the governments they dealt with in the days that these things were permitted. This government, and we are going to have an amendment here tonight hopefully, if we are going to amend the Mineral Rights Act, because they are still trying to avoid paying their proper taxes. The House passed last year a new Mining Rights Tax Act, which means that for the first time ASARCO and some of these people are going to pay something in taxes. They have tried to avoid it, and this amend that is coming up tonight will stop this avoidance. You know, what they contribute to this Province was abysmal, and it is never going to be permitted in the future. It will not be permitted by this administration, and I imagine the hon. gentlemen opposite when they get in, I hope they will have learned something, it will not be permitted by them either.

So I have no brief for ASARCO. And I do not have any particular brief for any mining company, they must be forced to do the right thing, they will not do it otherwise in the most part. They will not do the right thing if governments do not force them to do it. And that is what we intend to see happen in any future development. And if there is some action that we could take or if it was shown to our satisfaction that there could be a mining development but ASARCO is not interested and Price are not interested, and they are preventing someone else who might be interested then I can see in circumstances like that, that the House could be asked to take action. But, you know, that would depend on the facts at the time.

Now, Mr. Speaker, we have to recognize the fact that mining is

MR. CROSBIE:

a gamble, that exploration for mining is a gamble, it is not, you know, that there are entrepreneurs, and there are people that had an initiative and who work hard and take chances, and they have got access to capital and all that is necessary for successful mining development. And one of the other things that is necessary is that they must know when they enter into an agreement with a government that the other contracting party the government is going to observe their agreement. So it is not easy to change these things once they are entered into.

Now in connection with some of the other points made on the legislation, I will check on Section (41) that the hon. Leader of the Opposition mentioned. I do not know why it says, proclaim all or any part of the Act. The draftsman says, it is not essential. And we do not mind the change there. The Act cannot be proclaimed until 1977 because of the time it is going to take to get the regulations ready and the forms prepared and the like.

Mining development, this province certainly cannot afford to sneer at mining development,

Mr. Crosbie:

because, you know, we have not got all that many developments in the Province. The mining industry in value certainly is the second or third greatest in value. It provides employment for some 6,000 or 7,000 people. It provides a major support for a number of communities. We certainly cannot look down our noses at mining development. We cannot afford to look down our noses at any kind of development. One of the industries that we have on the Island that is relatively prosperous and successful and operating without restriction at the moment is the mining industry. I certainly feel that the Leader of the Opposition was a bit off in his remarks in that aspect of his remarks about mining development.

There is nothing wrong with mining development per se but government should take steps today to see that the employees are properly treated, the communities are properly treated, that if their life is a relatively short one provision be made ahead of time for what is to happen when the mine closes and all these other matters which were ignored in previous years.

Processing, yes we want more processing of minerals here in the Province of Newfoundland. But you cannot force companies to process here. The hon. gentleman for LaPoile (Mr. Neary) suggested there should be a smelter for iron ore and the like. Yes we agree there should be a smelter for iron ore and we hope that one day with power in Labrador and the iron ore that is still there there will be a smelter in Labrador. But we cannot force the Iron Ore Company of Canada, we cannot force Wabush Mines, we cannot force any company to put an iron ore smelter in Labrador. If the economic circumstances are right, if the economic conditions suit, then you can induce someone to do that. But you cannot induce them to do it if it is against all the economic laws. God knows we should have learned that in this Province by now with the failures that we have had here and the difficulties we are having in industries like the linerboard industry. There is no good in forcing somebody to put an industry here if it is not going to be economic, if it cannot operate successfully.

MR. CROSSIE:

The Buchans Mine, I do not have any new information on the life of the mines since I answered a question here a few weeks ago. Hopefully there will be other information during the Summer but I have nothing new that I can say on that. Uranium -

MR. FLICHT: Could I ask the minister a question?

MR. CROSSIE: Yes.

MR. FLICHT: Is there any dialogue with that mill, the operators of Asarco, the mine and the Department of Mines, any dialogue at all?

MR. CROSSIE: Yes I believe so. But there has not been any dialogue with me because I have not had a chance to dialogue with them. But we will eyeball to eyeball with them during the Summer. I have not heard that there is any problem getting information from them or anything like that. Maybe there will be.

On the uranium, there is nothing new on that. Brinex are completing their feasibility study this year. They will make their final decision this year as to whether they go ahead in Labrador with their uranium mine. If they do there will be the utmost of safeguards for the people of the area and the people that work there. You know as I said a few months ago in the House here the health and safety of the workmen will be the first priority in the mining field, certainly in any future development including uranium in which you will have to be particularly careful.

Commodore mining, we are going to deal with in a bill that is going to come before the House later tonight. The hon. gentleman mentioned a Mr. Lew Murphy who is a local Newfoundland resident who has involved himself in the mining exploration business which is a good thing. We want to help Mr. Lew Murphy or any other Newfoundlander who wants to show some initiative and some hard work and to try to develop the mining industry or find mining prospects. The bill that is on the Order Paper will be up tonight and at that time I will just mention what is happening with Argentina.

Now, Mr. Speaker, Newfoundland did not get much direct return out of the mining industry until last year when the new Mining

MR. PROSIR:

Tax Act was paid. But I am happy to say that our returns are increasing now.

On the mining school there is nothing new. The mining school is not imminent. There was a study done on the prospects of a mining school at Green Bay, Whalesback. That study showed a monumental expenditure of money had to be made. It certainly did not appear to be a practical matter. There is a lot more information needed and the present status is that they are now getting more information. It has been sent back to get more information. If it does turn out that a mining school was a feasible suggestion for the Province certainly Buchans will have to be considered. The Whalesback area of course will have to be considered. But we are nowhere near a decision on that yet so the hon. gentleman can relax. You know there is no decision imminent in that direction.

So I think I have touched, Mr. Speaker, on some of the points that were made. This is I think good legislation. Any future activity in mining in the Province will come under this legislation. The government will have to be completely informed which it does not have to be now under this legislation. As the present concessions expire any future concessions will come under this and any areas that are now available of course will come under this legislation. So I therefore move second reading.

On motion a bill, "An Act Respecting The Acquisition Of Rights To Minerals In The Province," read a second time, ordered referred to a Committee of the Whole House presently by leave.
(Bill No. 50)

MR. WELLS: Mr. Speaker, I move that the House do not adjourn at the normal adjournment hour of eleven o'clock this evening.

On motion that the House do not adjourn at the normal adjournment hour of eleven o'clock, carried.

Motion second reading of a bill, "An Act Respecting The Acquisition Of Rights To Quarry Minerals Within The Province." (Bill No. 51)

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

MR. CROSBIE: Mr. Speaker, I move the second reading of this bill. It is a companion piece of legislation to the one that we just discussed. There is nothing really that I need to say on it. It is Bill no. 51. It takes out of the old Mines and Quarries Act the quarry sections so there will be a separate minerals act and a quarries act and it will improve the administration for quarry permits and the like. There is nothing new or revolutionary in it but the quarries will be dealt with under separate legislation rather than the same act as at present. I move second reading.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, the only comment that I have to make on this bill is that there are too many areas along our Trans-Canada Highway where holes have been gouged in the ground and they have become real eyesores. Is there any way the minister knows of that we can control these situations so that they will not happen in the future so that the rock will not be quarried.

MR. CROSBIE: The present permits, you know, now have elaborate stipulations. You have to replace -

MR. NEARY: Well I would like for the minister to elaborate on that. This is the only thing that concerns me about this whole matter is the number of holes that are being left in the ground especially along our highways and byways. They are real eyesores, Sir, and I am wondering if there is any way we can control that kind of situation.

MR. SPEAKER: The hon. member for Conception Bay South.

MR. NOLAN: I would merely like to address myself to the point that the hon. member for LaPoile (Mr. Neary) mentioned. That is there are areas in the world where first of all if you are to gouge out anything even back off the road out of sight where whether it is the state or private enterprise they must landscape that before leaving there. That is a part of the requirement of any permit that they give. Now the reference that the member for LaPoile (Mr. Neary)

MR. NOLAN:

makes is certainly a very valid one because nothing looks worse for a tourist or for a Newfoundlander who is a tourist going throughout the Province to see this type of thing happen. It also indicated or appears to indicate an utter disregard that Newfoundlanders have for their own landscape and their own property and so on. It seems to me that too much of this has been done already and now is the time.

This is why I mentioned earlier in the House the situation regarding -

MR. NEAPY: If the hon. member would permit. This applies to beaches and peat moss and other things too.

MR. NOLAN: Of course. I was just going to say I mentioned earlier in the House this business of removing sand and rocks and so on from beaches. Now I realize that the minister tabled the list of places that are restricted and those where you can have a permit. But what we do not know of course is, sure you can have a permit to remove rocks or sand from beaches, but how many permits are granted? Can you have 1,500 permits a year? Can 1,500 people have 1,500 permits a year? I mean these are the things that we must know. These are the things that we should know.

Now it seems to me that if the minister is really serious about this, one, that he will not merely table a list of places as he did already. And I must say in answer to a request that you can get a permit to remove rocks and sand from beaches. What we have to know is how much in the way of rock is being removed from a specific beach each year. To say that you can get a restricted permit and so on is one thing but how many restricted

MR. NOLAN: permits are granted in a year. I mean the way we have devastated certain areas that rightfully we are entrusted to guard one way or another as members of this House is absolutely disgraceful and I compliment the minister for any efforts that he has made to curb this. But I am not satisfied as yet, although the protection may very well be built in and maybe the minister is very much aware of it and have taken such action but if so I and many people, and most people in this Province are suggesting in this House, are not aware of it. I mean under no circumstances should anyone be permitted any longer to just dip out from right on side of a road. No way. If they do it it has got to be back off the road and even if it is back off the road there should be a requirement that that be landscaped. And if the Department of Highways for example is involved I say the same rule should apply to the department as would apply to any kind of a commercial developer.

AN HON. MEMBER: More so if it is -

MR. NOLAN: Yes and more so. I compliment the minister. More so, he is perfectly right. But one of the things that we have done is very, very obvious and it is obvious particularly to people who come in from areas where this is out of the question. It would not be permitted to be done. What has happened to us is that we seem to have so much land with so few people, so much water, with so few people, we take so many things for granted.

So I would ask the minister now to inform this House, not merely to table a list say in regard to the beaches and so on, of how much rock can be removed or the permits that are granted, what types of permits. I mean is it restricted sufficiently to really protect these beaches, to say that there is a restricted permit in this area which he tabled, to say that

MR. NOLAN: you can have a permit. But how many permits? How many cubic yards are removed? And the other thing of course which the minister has little or no control about as an individual, perhaps with his influence in Cabinet he may have some influence, and that is I am sad to say that if the minister were to stand today and say, "Look I am going to have some friends come in from the Mainland and they are going to go out swimming in such and such a pond or river, I would advise him, do not do it because nine chances out of ten if you step out there you are going to get your foot cut open with tin cans, bottles and so on." I am not trying to blame the minister for this. This is a national or provincial disgrace what has happened. But on top of all this let us not gouge out the countryside the way we have done in the past and if we are going to permit it at all where in some instances it is necessary, back off the road, out of sight. But it should not be sufficient to say that out of sight out of mind. We should make sure that that area is landscaped. It should be better than when we went in if we permit that to happen. Otherwise no permit should be granted.

MR. SPEAKER: The hon. member for Fortune - Hermitage.

MR. J. WINSOR: I am glad to rise on much the same subject. I am fully aware that to get any gravel or sand to mix some concrete you have to get a permit. This has been ongoing for some time and it is commendable that the government has picked up this devastation of our beaches as the hon. member for Conception Bay South (Mr. Nolan), and the hon. member for Burgeo - LaPoile (Mr. Neary), both touched on. The greatest offender, the greatest offender in Newfoundland is the Department of Transportation and Communications and I am very happy to see that the minister nodded his head and agreed to it.

MR. J. WINSOR: Only this morning I got a call from St. Jacques down in Fortune Bay where Clarence Fudge called me and he said, "For God's sake do something about it. They are digging a hole in the ground right next to my driveway, a hole in the ground," he said, "and they are certainly not going to do anything about landscaping it." And the minister knows this. He is very aware of it as I noticed just now. All over Newfoundland what beautiful sights you have got and all your access roads if they wanted a shovel full of dirt to put in a pothole the nearest available loose mud will be what they will take. And the Harbour Breton Highway is a mess of potholes, piles of rock moved around so they get the little bit of dirt that is there when there is plenty of earth available, possibly ten miles away, so what. And they are landscaping it all right. There is no question about that. And I very much agree with the former two speakers that something should be done about it and I believe the minister will do something about it because if they go take a fellow's driveway and dig a hole in it what in the name of God are they going to do next.

AN HON. MEMBER: Hear! Hear!

MR. SPEAKER: If the hon. minister speaks now he closes the debate. The hon. Minister of Mines and Energy.

MR. CROSSIE: Mr. Speaker, I am glad that the previous speakers have all agreed with me that this is something that has to be administered very carefully. So we are all in agreement with that now.

The position is now as far as quarry permits are concerned, you can only get a quarry permit if you meet rigorous conditions. Not only that, but it has to be cleared by the Department of the Environment, the Department of Tourism, the Department of Highways and the local council and by the time all that has happened the quarry has probably crumbled

MR. CROSBIE: away in the dust. You know how quickly these things go through all these departments.

But in any event it has to be cleared by all these agencies. You cannot quarry now within 300 feet of a highway or other land use. You have got to leave a screen of trees between the quarry and the road. Now there are of course quarries that were done in the bad old days. You know I do not even way to say that they were Liberal days. But in the bad old Liberal days there were quarries gashed into the -

AN HON. MEMBER: BC, Before Christ.

MR. MURPHY: When they did the Trans Canada for example.

MR. CROSBIE: This Province had gashes in it all over, terrible gashes. But in recent years this has been corrected. Now there may be people who may be doing things illegally and if the hon. gentlemen see beaches that are being spoiled or it appears that there is too much material being taken, they should immediately call the department and have it checked into, so we can be sure that nothing is going on illegally or that nothing improper is being done. The beaches themselves are checked annually.

So this is an important matter and if any member sees anything that he thinks should be checked or investigated he could call me or the Deputy Minister or my Assistant, or anyone else in the department and they will look into it.

MR. MURPHY: Dial 999.

MR. CROSBIE: And I can assure you that any quarry permits that are signed now have very detailed conditions that cover all of this from the point of view of environment and protection.

On motion a bill, "An Act Respecting The Acquisition Of Rights To Minerals In The Province," 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 Mining And Mineral Rights Tax Act."

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

MR. CROSBIE: Mr. Speaker, this is an amendment to the Mining
And Mineral Rights Tax Act, passed last year which was
administered by the Minister of Finance and deals with
the new Mining Taxation Act which basically imposed a
mining tax on mineral rights so that lessors or landlords
of people who got concessions from the Newfoundland Government
and sublease them under this legislation have been required
or one of the major steps forward in it was to require them,
there was a tax imposed on the amount that they collected
in rental or royalty from their sublessees so that the
taxpayers in particular would be companies like Canadian
Javelin who subleased to Wabush Mines, Labrador Mining
Exploration who subleased to the Iron Ore Company of
Canada and a number of others including Price and Asarco.

Now there was an argument from Price and Asarco that
they were engaged under their agreement in a partnership or
a joint venture and that therefore it was not, to put it in
simple terms, a landlord tenant relationship and that therefore
they should not be taxed under this provision in the Act. So
that they were making a technical argument that they should not
be liable to that tax. Our legal advice was that despite their
arguments they were liable to the tax but to make it quite clear
this Bill includes in its section 3 an amendment to section 10
of the Act to make it quite clear that whether the payments you
receive for the grant of the right to engage in mining is a share
of profits or any other system like that you are still subject
to the mining rights tax under the Act. That is put in there
specifically so that Price and Asarco are subject to this tax.
That is one purpose of the amendment.

The other in the first part, section 2 is to allow

MR. CROSSIE: the Minister of Finance, to give him discretion to allow certain exploration expenditures in pre-production development expenditures that were incurred in the Province to be deducted from gross income from a mining property for a certain number of years. Exploration expenditures occurred within the Province, not outside the Province, but within the Province and to give him discretion

MR. COCHRAN:

to allow these to be deductible from income once there is income producing mining property. So that is the purpose of this amendment. It is an amendment to make sure that the purpose of the original act is carried out. I have not got the exact figures on me here tonight, Mr. Speaker, but there has been an increase in all the revenue collected as a result of this tax from mines in the Province last year from around \$2.5 million to \$3 million to I think last year it was in the area of \$8 million or \$9 million. You know that should increase in future years. Therefore I would move second reading of the bill.

MR. SPEAKER: The hon. member for LaPoile.

MR. HEARY: Mr. Speaker, this strikes me as being a good piece of legislation, Sir, and the minister gave us the good news there a few moments ago that it brought about an increase in the revenue that we are getting from the mining companies in this Province. I am especially pleased, Sir, about the fact that the minister has devised a way to get at companies like the Labrador Mining and Exploration Company who do absolutely nothing in this Province, not a single thing except collect their royalties from Iron Ore Company of Canada.

AN HON. MEMBER: You are not allowed to stand in your place with your shoes off.

MR. HEARY: Do I have to put my shoes on, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. HEARY: There is always somebody around to notice everything. A fellow cannot have a little bit of comfort at all.

MR. NOLAN: Do not worry about it. You are the only one in the House without a hole in your sock.

MR. HEARY: So, Mr. Speaker, I am glad that the minister has found a way to get at companies like the Labrador Mining and Exploration Company because for the last two or three years we have been told by Iron Ore Company of Canada that they have lost a substantial amount of money in operating the mine at Labrador City. I think the year before last Iron Ore Company of Canada lost - what was it? - something like \$40 million, \$35 million or \$40 million.

AN HON. MEMBER: Forty odd million.

MR. NEARY: Forty odd million dollars while the Labrador Mining and Exploration Company declared a huge profit. You know it would make you sick to your stomach. There is the company in there struggling to stay in business, threatening at one stage practically to close down, to pull out and the Labrador Mining and Exploration Company that does absolutely nothing except pick up their check every month or every quarter doing nothing declaring huge dividends at the expense of the citizens of this Province. It is certainly not good enough. I presume the minister means that it will be incumbent, it will be compulsory now for the mining company itself to deduct this mining tax from their gross earnings, from their gross income whatever that may be.

The other thing is, of course - and I certainly agree with this - that the mining companies themselves will be allowed to deduct from their taxes any money that is spent on exploration. This is a good thing because it will encourage the mining companies to continue their exploration programme. It is the same principle that applies in the oil industry. If you restrict this, cut it off, it would discourage companies from carrying on, continuing exploration and expanding and so forth and so on. So the bill has two meanings. Number one, to get at these companies like the Labrador Mining and Exploration Company which in my opinion is nothing but a middle man, just hypocrites. I do not know how they -

MR. NOLAN: Why are they in existence?

MR. NEARY: I do not know why they are in existence. That is what I would like to know. I do not know who put them in existence. But they are there collecting their royalties from Iron Ore Company of Canada while they operate in the red. Not one red cent is put back in this Province and it is about time to get at them. I am glad that the minister found a way to do it.

MR. SPEAKER: Is the House ready for the question?

MR. NEARY: I would like to hear from the minister on the Labrador Mining and Exploration Company.

MR. CROSSIE: Which corporation?

MR. NEARY: Labrador Mining and Exploration, the middle man.

MR. CROSSIE: Labrador mining, oh yes, the point the hon. gentleman was making. Well Labrador Mining and Exploration Company Limited got their concessions during the period of Commission of Government. So it had nothing to do with the Liberal party. But as a result of course - and they had and still have very extensive areas in Labrador not subleased to the Iron Ore Company of Canada. They were responsible of course for organizing the development of the iron ore industry in Western Labrador through the -

MR. HON. TEMER: Oh, oh!

MR. CROSSIE: Oh, yes. Jules Timmins it was originally and then M.A. Hanna from Cleveland who were involved in Labrador Mining and Exploration. They found the iron ore, proved it was there and they organized a group that is now the Iron Ore Company of Canada who developed it and produced it and who sell it to their client steel companies and Japan and other parts of the world.

Now in addition to that, of course, there are other iron ore prospects that Labrador Mining and Exploration still have the rights to and which they are still interested in having developed. For example they have the concessions in areas that neighbor right next to the Julienne deposit as owned by Labrador Mining and Exploration and to develop the Julienne deposit you could only do it sensibly by also developing the adjacent deposits that are controlled by Labrador Mining and Exploration. They are still engaged in exploration in trying to develop these properties. So that in addition to being a landlord now of a concession which the iron ore company is developing they were originally responsible for that development.

But it is true, Mr. Speaker, that they contributed next to nothing by the way of taxation to this Province for the last twenty-five years up to last year because they were only subject to our share of the corporation tax and since their main operations are not in Newfoundland and so on they paid relatively little in corporation tax. But now under the present legislation as you will see from their annual reports which are public, they are now a major

MR. CROSBIE:

taxpayer. I cannot remember the exact amount but I think Labrador Mining paid something like \$1.5 million last year under this legislation that they never paid before.

MR. NEADY: What did they make? \$15 million? \$20 million?

MR. CROSBIE: They would have received from the Iron Ore Company of Canada - I am not being exact now either - probably \$9 million or \$10 million at least. So that, Mr. Speaker, they are now making a tax contribution which they never paid before and it is a great pity that this sort of legislation was not in effect some years ago. So, Mr. Speaker, I would like to move second reading of the bill.

On motion a bill, "An Act To Amend The Mining And Mineral Rights Tax Act," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 52)

Motion second reading of a bill, "An Act To Amend The Local Government Act, 1972." (Bill No. 78)

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

MR. PECKFORD: Mr. Speaker, this amendment to the Local Government Act, 1972 encompasses amendments similar to the amendments that were given reading here, Your Honour, a few days ago relative to the Community Councils Act. There are quite a few amendments as hon. members will notice from the explanatory notes.

AN HON. MEMBER: Oh, oh!

MR. PECKFORD: No, the discrepancy does not exist in the Local Government Act. It was only the Community Councils Act. We had cleaned up or somebody had cleaned up the other act years ago. The Irish are not affected here at all. So what we did in the Community Council was to bring it in line with the other acts and not the other way around.

Hon. members will notice that we are streamlining the legislation on the Local Government Act as it relates to the age for voting to bring it in line with provincial election legislation to eighteen years. We passed that under the Local Government Elections

Mr. Brockton:

Not a few days ago and this amendment here now relative to age will reduce the minimum voting age for persons signing a petition or voting in a plebiscite which are mandatory in some cases under the act where it involves incorporations. Where you have a plebiscite on a particular issue or where you have a petition petitioning for incorporation, that we have to change the Local Government Act now to make it possible for people eighteen years. If you are going to put them subject to the municipal taxes you must also put the age limit in line with voting in plebiscites or petitions and this kind of thing.

MR. PECKFORD: and also for a candidate in a municipal election we are bringing the age down to eighteen from nineteen to be in line.

There is a clause in here similar to the Community Councils Act affecting conflict of interest. We are trying to streamline our Acts, and I think that is section 3, in the Act. "No councillor shall vote or speak to any matter before the council or before any committee of the council when he has an interest in the matter distinct from any interest arising from his functions as a councillor or has a pecuniary interest directly or indirectly in that matter or is an officer or employee etc." So it does make provisions.

We have run into, Mr. Speaker, over the past number of years, since I have been in the portfolio, and I am sure the hon. the member for Conception Bay South (Mr. Nolan), can also confirm a number of instances where a conflict of interest situation has arisen at council and it has caused a lot of furor in the community at large and also amongst councillors. In some cases we have had to take pretty strong disciplinary action on it because it involved a fair amount of funds, and usually involved funds directly from the provincial government. So we are trying to streamline there and to improve the Act so that the conflict of interest is taken care of.

In number 4, right now a town manager has, of a municipality or a town, a fair number of rights under the Act, but the town clerk does not. So we are saying that this amendment here, clause 4, will give the town clerk the same rights with respect to appointments, suspension and dismissal from office as are presently held by the town manager. The town clerks have for some time now through their association and so on, been agitating for this kind of an amendment to put them on an even keel, if you will, with the town managers as it relates to suspensions and appointments and so on.

Of course in the larger municipalities

MR. PECKFORD: of the Province, of which there are quite a few and becoming more and more, the town clerk has a very vital role to play, and so it was felt that this kind of an amendment was needed at this time, and I think most hon. members will agree.

MR. NOLAN: Would the hon. minister permit a question?

MR. PECKFORD: Yes, sure.

MR. NOLAN: I am aware that there has been some effort on behalf of town clerks, town managers and so on, I believe through Memorial perhaps with some help from the department, to upgrade their skills. Because there are some people who have been involved on the municipal level as personnel engaged by the council who have run into some real trouble, not because of any malicious intent or dishonesty, but because out of, I hate to use the word, but ignorance perhaps is the one that describes it, I am wondering to what extent they are being upgraded at this time? It is their wish that it be done. I know that. And what success does the minister have in this regard?

MR. PECKFORD: The association puts on a seminar each year for two or three days, and they operate out of a grant from the department and fees from the municipalities. The fee that they ask for from the municipalities is only ten or twenty dollars which is really not sufficient, so they have to depend on government.

Now I had a meeting with them just the other day, as a matter of fact, and they are having the seminar again this year. But we are very unhappy and we told the executive so the other day. I am extremely unhappy with the way the thing is working because it really does not accomplish anything. It is only, if I may say so, Mr. Speaker, a big party in Gander or Corner Brook for two or three days. The department goes out of its way, provides the money, sends all its officials out from the various divisions, gives lectures

MR. PECKFORD: on the different procedures -

MR. COLLINS: And only get

MR. PECKFORD: Yes. They are trying to zero in on the smaller municipalities and the community councils especially, but as the hon. the member for Gander (Mr. Collins) says, very often you get the same people back year after year who know only too well the procedure. So we are really not zeroing in on it. What we need is a course at the College of Trades or some kind of a course to be put on for six or ten months or something like that.

MR. NOLAN: Excuse me. Would the minister then, if we had such a course within his jurisdiction, because he could have the power if he wanted to, say salary would be commensurate with the skills to carry with you to the job?

MR. PECKFORD: Yes.

MR. NOLAN: Such as the course that he was mentioning?

MR. PECKFORD: Yes. Yes.

We have taken a lot of, and this is not germane to the amendments here, but we have over the last six or eight months worked extremely hard on getting an assessment course in the Province, and we are going to have one at the College of Trades and Technology. We will be phasing out sending people to Dalhousie within a year. You know, you have so many people now enlisted or enrolled, I am sorry, in the course - I am getting sort of military in my terminology - so many people enrolled already and they have to continue on. There are some problems with that assessment course because it is based on the assessment Act of Nova Scotia and not on Newfoundland. So we have now devised a course and have had extensive discussions with some of the best people in the assessment field in Canada, here. We have a course devised and we are going to be putting it on at the College of Trades and

MR. PECKFORD: Technology, which is badly needed, of course, and it is a very, very good field that many students - and I might get a chance on the Assessment Act to speak on it a bit more because there is an amendment coming up on that one - a lot of kids or students coming out of high school are just not familiar with it. They are very, very professional people and it is good pay. A lot of consulting engineering firms, a lot of municipalities will now start looking for assessors. Of course the City of St. John's is already in it and the City of Corner Brook.

We are, of course, as a department expanding in that field. We have two or three in Corner Brook now, a couple in Gander and three or four more here in St. John's, and we just hired on a whole host of them in the last year. We only had two or three before that. But in any case that is sort of beside the point. As far as the course goes, relating to town clerks, we have to take a real hard look at that and do something similar to what we are now doing with the assessors.

Clause 5. This amendment would enable the council to provide group insurance schemes for all its full time employees. This is a new authority not previously held by councils. It is about time we did that. We are doing it in the City of Corner Brook Act. I think it is already in there and the City of St. John's Act. We are going to streamline it to make it to make it for all the employees and so on, because only some are covered now, I think. It is only fair to have enabling legislation there for municipalities if they do want to get into that field and provide group insurance schemes for the employees they have the authority to do so. Right now under the Act, even if they want to, they cannot.

Clause 6. This amendment will enable council to impose a sewerage tax at any time during the financial year, and not as formerly was the case, during the first three months of the financial year. In other words, if you are into a

MR. PECKFORD: municipality with a sewerage system or so on, under the present Act the legislation reads, "If the sewerage system is not on stream within the first three months legally you cannot impose that sewerage tax until the next year." It causes all kinds of headaches and needs to be streamlined, obviously.

MR. NOLAN: No tax is charged until is it on stream.

MR. PECKFORD: Clause 7, does something similar in the Local Government Act as we did in the Community Councils Act a week or two ago, and that is move the minimum business tax. There was a minimum business tax of five dollars. That is this infamous business tax, really, because it has no real merit. What usually happens, the hon. the member for Baie Verte-White Bay (Mr. Rideout), questioned me on it under the Community Council Act when the amendment was going through, what has happened but in the community councils and in the other municipalities of the Province, is that this minimum was often meant the maximum, where it could. But in reality, if there is no semblance to - if you have even the smallest kind of a business and if the council is going to impose one-tenth of one per cent, which is a common one, or get it up to one-eighth of one per cent and so on on their gross, what they did for the year, I mean, five dollars is, you know, nobody is going to be down to five dollars. If they are it is crazy. Five dollars a year business tax for a municipality from a business. So it has no relevance now as the present situation is completely obsolete, and there is no need of it being in there. So that is the reason we are taking it out. It is not realistic any more. Any business at all that is viable is going to have a turnover sufficient that what ever the rate the council puts in, which is going to be realistic in just about all cases, their business tax is going to be more than five dollars a year anyway. So what is the sense of having five dollars in there? So it has no relevance anymore.

MR. NOLAN: Well I wonder! There was, unfortunately
a way council could get around it in the past.

MR. PECKFORD: Yes. Yes, especially in little tiny
businesses and so on where a five dollar business tax, five
dollars a year, is completely unrealistic. And

MR. BRICKFORD:

where there were arguments between the businessmen and the council or whatever it was, well the businessman might have gotten a copy of the Act and known that the minimum was five. This is of no great use today any more.

Clause 8 increases the minimum real property tax to twenty dollars which was five before if you can imagine that. That is the thing that people still do not understand and really bothers me is that on this whole question of property tax which has to come into most of the municipalities in this Province especially in the larger ones - it just has to because there is no other way to get revenue - that people just do not understand that because somebody espouses a property tax as a means of raising municipal revenues that suddenly they think they are going to be paying \$400 or \$500 a year. Right now we are just bringing up the real property minimum to twenty dollars. It will depend on the market value of the house after it is assessed and then it will depend upon the new rate that the council imposes on that market value.

There are municipalities believe it or not - and I hate to say it, I had an argument the other day with one on this very point - where their real property tax is hardly as great as the service fee that is charged in other municipalities. It is only around thirty-five dollars a year which is unrealistic, completely. In any case where it has been five dollars - and that is again very unrealistic - we are bringing the minimum real property tax that can be charged up to twenty dollars which is not really doing very much to be blunt about it.

Furthermore it will further provide that where property is jointly owned only one of the joint owners will be exempt from payment of the municipal service fee or one will have to pay. So that is for joint ownership. Sometimes councils run into that and there is only one liable for exemption or one will pay whichever way you want to have it.

Clause 9 will enable councils to levy a water tax on un-

MR. PECKFORD:

connected property in respect of vacant land in addition to buildings and premises. Right now if you have a water line passing along by a building or premises or some kind of a building you can charge a water tax on that building or the premises even though it is not connected, unconnected water tax because the value obviously of that land and building has increased because the water line passed along by it even though it is not connected.

MR. HICKEY: It is the same principle as the local assessment.

MR. PECKFORD: Local improvement assessment, yes. Now what we are saying is that even on vacant land where there are no buildings or premises, an unconnected water tax can be charged.

AN HON. MEMBER: What about a graveyard?

MR. PECKFORD: I would not say.

AN HON. MEMBER: Churches.

MR. PECKFORD: Churches are exempt anyway.

AN HON. MEMBER: You would have an awful job collecting it. Up she comes.

MR. PECKFORD: Well if it is like some of the land ownership in this Province you would not have to have a problem collecting in some areas I tell you that because there is a question of who owns it. But where it involves churches is covered under another part of the act. They are exempt.

Clause 10 deals with increasing the minimum municipal fee from five dollars to twenty dollars. All these increases are effective January, 1977. Right now it is five which is again completely unrealistic and you are not going to generate any revenue municipally unless you bring it up from that. Most people now agree with that.

Perhaps the most important amendment here, Mr. Speaker, and one which most councils will be happy to see I am sure is the business of where a taxpayer is in arrears and the council takes him to court. The magistrate will fine the individual and he has not the discretionary power not to force that taxpayer to pay the tax that he owes for which

MR. PECKFORD:

he came to court for in the first place. In many, many instances and by far the majority of cases when citizens went to court because they were in arrears and the council took them to court, the magistrate has said, I fine you five dollars, case over. So the citizen pays his five dollars as a fine for breaking the law, the municipal law but does not pay the tax. So the council is no better off than it was before.

So now we are amending it to provide that the magistrate has to fine him twenty-five dollars and we are setting down a flat amount. He cannot charge him twenty-four dollars, he cannot charge him twenty-six dollars, it has to be twenty-five dollars plus we are putting it into the legislation that a magistrate has to order him to pay the tax that he owes for which he came to court for in the beginning which was not there. Councils have complained since I have been there about this, that they have been trying to collect their tax arrears but are running into trouble because the courts have not used their discretion in the sense that they have forced the citizen - and you know, Mr. Speaker, how it happens in some of the courts. Many of the citizens will go in and put up a pretty good case that they cannot pay or whatever and the magistrates usually being very human have brought their case and just fined them five or six dollars and never ordered them to pay the tax.

MR. NOLAN: What happens in the case of a citizen who really cannot pay it?

MR. PECKFORD: Well if they generally cannot pay, they were supposed to apply to the council in the first instance for an exemption and the unanimous decision of council is automatically taken by the department and approved for an exemption.

AN HON. MEMBER: What happens to the welfare recipient?

MR. PECKFORD: Welfare recipients on water tax, the government pays for it anyway, on water and sewer. Their service fee is the only thing and then they can apply for an exemption.

MR. WOODROW: What about old age pensioners?

MR. PECKFORD: Old age pensions apply -

MR. FLICHT: Does the minister mind? What happens if a taxpayer gets in arrears \$150 or \$200 before council decides to take him to court? Will the magistrate still have the right to force the man to pay according to his ability at ten dollars a month?

MR. PECKFORD: Yes.

MR. FLICHT: Or will he demand the he -

MR. PECKFORD: No, he can still decide on how he wants to pay it on a schedule. He will not have to come up with the \$200 tomorrow morning.

MR. NOLAN: May I suggest that although what the minister said is correct about applying to the council for alleviation of some of these debts in some instances, that people generally do not know this just as they do not know enough about the new guarantee on the housing scheme. I keep harping on this I know but again I bring it to the minister's attention. I think the councils or the department should do a little more to publicize this matter for the benefit of the people. Maybe the council should be doing it.

MR. PECKFORD: Council should, sure they should.

MR. NOLAN: But it is not being done. That is why people get so far in that they do not know what their rights are you see.

MR. PECKFORD: Yes I agree. Of course you know one of the sad things is you go to any municipality into their town office which is in many municipalities open six days a week and many more at least two or three, you know, it is the most vacant place ever you saw in your life. Nobody is ever coming in there. And there is a lady or a gentleman sitting behind their desk writing up some books and there is a post office of course down the road but the councils have not done a good job on this and very often councils get very secretive about their meetings unnecessarily and they get sort of closed off from the rest of the community. In order to get an appointment with some of the councils a citizen has really got to go through a lot of trouble.

MR. NOLAN: They go to the minister.

MR. PECKFORD: Yes I get calls every day wondering if they can set up an appointment to see a council for them in their same community.

Clause 12, this amendment provides for an appeal to the new Court of Appeals on any question of law or in fact in connection with an award made by the board of assessors in respect of compensation for land expropriated under the Local Government Act. So they have another chance if they feel that they have been unjustly treated by an award on land expropriated. After the Board of Assessors have decided on the amount that is going to be paid in compensation to land expropriated if the person whom the land is being expropriated from feels that it is an unjust award, an unjust compensation, that citizen has the right of appeal to the new Court of Appeals. So in the end the citizen should get his -

MR. NOLAN: Excuse me. Under our expropriation act unless changed if you are not satisfied with the offer made by the Department of Highways or Municipal Affairs, whatever department is involved, Public Works, you have the opportunity to, you name one -

MR. PECKFORD: Yes that is what I am saying.

MR. NOLAN: The government names one and you both decide on a chairman. Will the same thing apply here?

AN HON. MEMBER: Yes that is the same board we are talking about.

MR. PECKFORD: Yes the same board. With the board that is there now you can appeal it to the Court of Appeals to have a second chance at it. That is what I am saying. Because of the new Court of Appeals that is in existence it would only seem fair to give the citizen that additional right. The court is there. So it would seem to be an obvious way of going about it.

Clause 13 amends the act. This amendment provides that no award of a Board of Assessors shall be rendered invalid because of technical defects if the provisions of the act have been substantially complied with. In some cases the whole thing can be made invalid simply by a very small technicality which does not affect the overall

MR. PECHFORD:

picture at all and therefore the whole process breaks down and you have to go through it all again and it is a costly piece of business. So this simply gives the Board of Assessors a little more power in the sense that their decision cannot be rendered invalid by some technicality.

Clause 14 eliminates the minimum again on business tax but it is real property business tax which was also five dollars if you can believe it.

Mr. Peckford:

a real property business tax the minimum was \$5, so we are eliminating that all completely the minimum and just allowing the normal rates that are in charge by the municipalities to take their course rather than have an minimum there, which is really more housekeeping than anything else. These are the major features of the amendments to this Act, Mr. Speaker, and I will be willing to answer any questions if I can from hon. members, and I now move second reading.

MR. SPEAKER (DR. COLLINS): The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, it is rather unfortunate that we should have a bill of such major proportions brought in at 10:30 P.M. probably on about the second last day that this hon. House will meet. There are some major items included in this bill, although the minister left the House with the impression that some of it was housekeeping just merely brushed over it and if it were nothing, insignificant. Sir, it just goes to show how tough the minister and the department are becoming. They are becoming real toughest. And if they continue on their course of toughness they are going to make life unbearable for the municipalities across this Province with their regimentation and their arbitrary and dictatorial attitude that they have in regard to some of these matters.

Only recently the minister sent out an ultimatum to the town councils across Newfoundland that they were to charge \$12.50 a month -

MR. PECKFORD: Twelve dollars.

MR. NEARY: Twelve dollars a month.

MR. PECKFORD: It was sent out last year too.

MR. NEARY: Twelve dollars a month for water and sewerage, \$12 a month. They had to charge it. It is compulsory. Ordered by the minister. Not if the people can afford it or not, sock it to them, give it to them.

MR. PECKFORD: That is not right.

MR. NEARY: That is right, Sir.

MR. PECKFORD: No it is not, if the people do not pay it they are going to apply for these grants.

MR. NEARY: If the people do not pay it, if the municipality do not collect it the minister has ways and means to hold it over the municipalities heads. And it is no wonder, Mr. Speaker, it is no wonder that there are so many majors and town councillors resigning -

MR. PECKFORD: Where?

MR. NEARY: - all over the Province.

MR. PECKFORD: Where?

MR. NEARY: Everywhere you go there is a controversy raging. Out in my hon. friend's district Humber West there is -

DR. T. FARRELL: , East.

MR. NEARY: East - a group of concerned citizens that have been on the City of Corner Brook's back now for the last year or so demanding investigations and resignations, Port au Port, St. George's, wherever you go town councils - the other day they called a by-election, I forget where it was, somewhere in Placentia Bay I believe, a by-election not one person turned up to offer himself as a candidate in that by-election.

MR. PECKFORD: What is new about that?

MR. NEARY: Well there is all kinds of things new about it. The minister is discouraging people from coming into municipalities. Maybe some of these reforms are necessary, Sir, maybe some of the legislation needs to be up dated, but the minister has to keep in the back of his mind that these men who serve on these town councils and community councils -

MR. PECKFORD: Men and women.

MR. NEARY: Men and women - who serve and on Local Improvement Districts are volunteers, they are not paid. The only persons who are paid are the city councillors in St. John's and in Corner Brook, outside of that they are all volunteers.

AN HON. MEMBER: Grand Falls? Are they paid in Grand Falls?

MR. NEARY: No they are not paid in Grand Falls as far as I know. The only two places in Newfoundland where members of an incorporated town receive remuneration are in Corner Brook and in Grand Falls.

AN HON. MEMBER: They are not towns they are cities.

MR. NEARY: No that is right, you have to be a city. And, Mr. Speaker, life is becoming unbearable. And I can understand and appreciate why men and women are resigning right, left and centre. The minister says, it is not so. You could hardly turn on your radio or pick up a newspaper these days, I know wherever I travelled in Newfoundland all I hear is grumbling, people grumbling about the town council, mayors and town councillors grumbling about the shabby way they are being treated by the government, and lack of co-operation that they are getting from the minister and his department. And I would say, Sir, that unless these things are done gracefully, unless these things are -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The minister should not be in such a big hurry, unless the minister slows down in foisting these things on the town council I am afraid you are going to see more resignations in the future. These people are in the firing line, they are right up in the front line, in the line of fire, and these are the ones who take the abuse and all the criticism, and they do not get one red cent for it. They are volunteers, and they are under tremendous pressure, and the minister is placing them under more pressure by stricter rules and regulations, by upping the water and sewer rates, by upping the property taxes, by upping the town service fees.

But, Mr. Speaker, there are some sweeping changes in this piece of legislation, and it should not just be -

MR. DOODY: There are wider opportunities.

MR. NEARY: They are wider opportunities to bring about resignations of men and women in this Province who will not be able to put up with the criticism because they are the ones who have to go out and collect this money, and enforce these regulations.

MR. DOODY: We are not forcing them to do it.

MR. NEARY: Not forcing them to do it. What do they do?

MR. DOODY: Authorizing them.

MR. NEARY: Authorizing them to do it.

MR. DOODY: Giving them the authority.

MR. NEARY: The minister is lifting the minimum amounts in every case, lifting it.

MR. MURPHY: How do you survive without income?

MR. NEARY: Well I do not know, Mr. Speaker, the hon. member for St. John's Centre (Mr. Murphy) is the genius.

MR. MURPHY: I am no genius.

MR. NEARY: Maybe the hon. member can tell us. But I can tell the minister one way not to do it is to start cracking the whip all of a sudden and expect to accomplish everything overnight, and that is what has been happening the last year or two, and the mayors and councillors they are not going to put up with it. And every place I go I meet mayors and councillors who are either on the verge of resigning -

MR. DAVE: I agree.

MR. NEARY: -either on the verge of resigning, they will resign, they have resigned, they have sent in their resignations, even the Town Council in Channel, Port aux Basques which is a prosperous community threatened to resign in mass recently over something that the minister did, when the minister gave the Town Council his word that he would not do it, and that was to stop their revenue grant. I was there at the meeting when the minister gave his word of honour that he would not cut their revenue grant, and through some breakdown in communications in the minister's department lo and behold the next time they got their revenue grant it was cut in half.

MR. DOODY: That was the computer.

MR. NEARY: Well it may be the computer but then the next three cheques after that were cut in half, and I believe they still have the cheques they have not cashed them yet, and they may resign on that issue yet.

AN HON. MEMBER: The poor old -

MR. NEARY: But the minister does not seem to care. Well where is the manpower going to come from to man all of these town

Mr. Neary:

councils and community councils? Where are they going to come from? Have you forced, put them in a position where life is unbearable they cannot live. Life is too short, Mr. Speaker. I spent twelve years on a town council myself and I know what it is like.

MR. DOODY: You say manpower, there are just as many women in these town councils.

MR. NEARY: When I say manpower, I am talking about female power, women's lib what have you.

MR. DOODY: You do not know the difference -

MR. NEARY: I do know, I believe, Mr. Speaker, - I displayed this afternoon that I know the difference between the male and the female. But, Sir, this is becoming -

MR. DOODY: That was in the Wild Life Act.

MR. NEARY: - a very, very serious matter, Mr. Speaker, and it is one that the minister should think about and should move with extreme caution. I am not saying that these reforms are not necessary -

MR. DOODY: No, no.

MR. NEARY: - but we should not fling them all at the council and at the people, and the taxpayers at once, do it in stages, gracefully.

I know the Minister of Finance is over there trying to unload some of his responsibilities to save a few bucks so we can keep the Churchill Falls jet flying, keep the airforce moving, and to keep the Norma and Gladys sailing around the world.

SOME HON. MEMBERS Hear, hear!

MR. NEARY: Mr. Speaker, you know, I can only advise the minister and at least listen to what I pick up on my antenna, and I am not completely out of touch I do not think with the ordinary people of this Province. And I was out last year - the Federation of Mayors and Municipalities did the honour of recognizing past presidents of the Federal of Mayors and Municipalities, and I was the President of that organization for two years -

AN HON. MEMBER: Oh, oh!

MR. NEARY: All right. I was President for two years of that

Mr. Neary:

organization, and I must say we had a harmonious relationship with the government at that particular time and probably ever since I do not know, but I heard a lot of criticism at that meeting. Apparently the minister had gone out and laid it on the line and socked it to them and said, boys you are going to have to get tough. I heard a lot of criticism.

MR. PECKFORD: I got a standing ovation.

MR. NEARY: Well the minister got a standing ovation, it is a wonder he did not get the Royal Order of the Boot while they were on their feet. Because all I heard when I went to that meeting was criticism of that speech that the minister made.

MR. DOODY: Tell it as it was.

MR. NEARY: and I would say this is probably, Sir, the reason why we are seeing so many resignations. I would like for the minister to do a little research in the minister's department and find out in the last two years how many mayors and how many councillors have resigned.

MR. PECKFORD: Less than ever before.

MR. NEARY: Less than ever before. Well, Sir, when some of this stuff is flung out at the town councils there will be more than ever before.

MR. DOODY: None of us are dictators.

MR. NEARY: No. Mr. Speaker, this particular clause that the minister said is one of the most important of all. I do not know how the minister interprets that as meaning that that is the most important clause of all, taking the authority under the Summary Jurisdiction Act, taking it away from the magistrates and putting it in the hands of the Minister of Justice, what is so important about that.

MR. PECKFORD: That is what the municipalities tell me.

MR. NEARY: That is what the municipalities tell the minister. It is the first time I suppose in the history of mankind that this has ever happened. You are taking the authority. You do not have confidence enough in your magistrates. You are going to take the authority away from them under The Summary Jurisdiction Act and you are not going to allow them in future to reduce the penalties, to use their own discretion unless they go and write and get permission from the Minister of Justice. What kind of nonsense is that, Sir? That is a very, very dangerous precedent that has been established in my opinion and it should be stricken from the Act, from this amendment. It should not be left in there. What a slap in the face for the magistrates of this Province.

MR. NEARY: The minister gets up and tells us, "Oh the magistrates have been too lenient, too kind hearted."

Well, Sir, I spent twelve years on a council and I did not know of any magistrate that was kind hearted or lenient. When the magistrate said, "You are guilty," there was an order issued, if you were employed, that the taxes would be deducted from your pay cheque.

AN HON. MEMBER: If he had a pay cheque.

MR. NEARY: That is what I said, if you were employed. If you were not employed how could they collect it unless the Welfare paid the water and sewerage tax. Why take that authority away from the magistrate? He already has it. They have used it. Is it just in somebody's imagination? Is it fiction that this privilege that the magistrates have is being abused? Well you could say the same thing about anything else that the magistrates do. You are questioning the judgement of the magistrates in this Province and I guarantee you that you are likely to have the Magisterial Association on your back once they find out that this kind of thinking is going on in government by ministers of the Crown.

No, do not trust the magistrate. Take the authority away from him, he is too lenient. He is too kind hearted. He is giving the poor old fellow that is charged a break. What kind of a break is it? If he finds him guilty then the town council can walk in and say, "Okay, we want the gentleman's wages attached, apart from the fine." It is a gross insult to the magistrates in this Province and it should be removed from this Act. It is a very dangerous precedent. I do not know who thought it up or dreamt it up. You are either guilty or you are not guilty when you go into Court whether it is a civil matter or a criminal matter. You are taken before a magistrate. The town clerk will go in and argue the case or the town manager, whatever the case may be, argue the case, say, "This gentleman, Sir, Your Honour, has not paid his taxes for

MR. NEARY: the last few years, no reason for it." The magistrate will say, "Guilty or not guilty." "I am guilty, Your Honour, I did not pay my taxes. I have got no intention of paying them because I do not believe in the town council. I did not vote for it to come here." The magistrate says, "That does not make any difference. It is all irrelevant. You are guilty, you are fined \$10 and you have to pay your taxes."

AN HON. MEMBER: No.

MR. NEARY: Yes, Sir, the town council then, and if they do not collect it it is the fault of the town council, not the fault of the magistrate. The whole trouble is, Mr. Speaker, I will tell you what the trouble is, the trouble is that mayors and town councils, because they are so well known in a community and they know their buddies and their neighbours that they are reluctant to take their friends and neighbours and relatives into court to collect their taxes and I would submit that is why -

MR. PECKFORD: Well if that were the case there would be no point in this amendment because nobody goes to court so why change anything.

MR. NEARY: Every once in a while, Sir, every once in a while -

MR. PECKFORD: Your argument falls through.

MR. NEARY: No every once in a while a council will get a burst of energy and they will get up a little nerve. They will say, "Well we went into the government, they would not co-operate with us. They would not give us a grant. They would not do this for us unless we collected our taxes so I guess we are going to have to go out and start and collect our taxes." So they will put out twenty-five or thirty summonses hoping that they will start a stampede then for everybody to come in and pay their taxes and if it does not happen then they will put out another twenty-five summonses, I would say in

MR. NEARY: pretty well every municipality, that very seldom, Sir, that anybody who is on the tax roster will be hauled into court if he is in arrears. They will just do so many and then they will drop it. And I would submit that in probably across this Province there is millions and millions of dollars owed in taxes in arrears. A lot of it will never collected.

So, Mr. Speaker, I am not saying that we do not need reforms. We do need reforms. But it all depends on the way you go about it and how sudden. You cannot give councils the shock treatment and the taxpayers the shock treatment, you have to do it gracefully. And the minister apparently is not the kind of a gentleman who is patient enough to do it that way. The minister is very impatient and wants to accomplish things overnight.

And, Mr. Speaker, I would say that this is going to have a very demaging effect on communities that are incorporated, that would like to have a community council or a town council when they hear of so many people being wacked into court and when they hear of these high taxes that are being levied on people and these regulations and the regimentation. They frighten them off. They scare them off. Nine chances out of ten people will vote against the town council or community council, going to make it more difficult to get these town incorporated and they should be incorporated. So in my opinion, Sir, there are a number of features of this bill in the explanatory notes that certainly the minister should reconsider. That one especially about the magistrates, certainly that should be dropped, dropped at once.

The next thing they will be coming in and telling us that the magistrates are not fit to sit in judgement on a drunken driving charge. It is the same thing is it not? The magistrate could be lenient, kind hearted, a poor old fellow is hauled up for impaired and drunken driving, and the magistrate does not want to put him jail, take his licence away from him

MR. NEARY: because he has got to support his family, so what do you do then when you want to do that? Write the Minister of Justice, that is what you have to do under clause (11) here. It whips the carpet right out from under the feet of the magistrates. It is a gross insult to magistrates in this Province.

Now, Sir, there are a couple of good features about this Bill that I like. I like the part where no councillor shall vote or speak to any matter before the council or before any committee of council when he has an interest in the matter distinct from any interest arising from his functions as a councillor. I think this is very good, Sir. We have had a number of instances across Newfoundland where sometimes people will get themselves elected mayor of a town or get on a town council to further their own selfish interest. This has happened. They probably have a little contracting business or a few pieces of equipment that they want to rent. Snow clearing equipment so they get themselves elected, they say, "Oh well this is a good way for me now to get on the gravy train to look for the milch cow. I will get myself elected mayor and then I can rent my equipment to the town council for snow clearing for the winter." Or "I got a couple of trucks there I want to hire out."

So this is really the equivalent of our conflict of interest. The only thing is, Sir, the only thing is that our conflict of interest is not even as good as this. This is better than our conflict of interest. There is nothing in our conflict of interest that says that no member of the House of Assembly shall vote or speak on any matter before the government or before the House or before any committee of the House if he has an interest

MR. NEARY: in that matter. We do not even make these regulations for members of the House. Although it is a good thing, because I know of several instances right now across Newfoundland where mayors have been accused of conflict of interest, and of getting on the council just for their own selfish interest. And it may or may not be true. In some cases it probably is, but in the majority of cases I would submit that it is not. But it is good to have this amendment there to safeguard against that sort of thing.

Another aspect of this bill that I agree with, Sir, and I agree with the minister on this particular matter. I am not condemning the minister outright. I am condemning the minister's attitude towards the councils in this Province, the dogmatic attitude that the minister has but I am not condemning the minister outright. The minister is probably doing a half decent job. But I certainly agree with one statement that the minister made and that is in connection with the increasing the land value when you run along a water and sewer line. Here you have land laying there for years, probably eight or ten acres of land laying there vacant for years, no value on it, the owner probably could not even give it away, then all of a sudden along comes the government and the taxpayers of this Province and they run a water and sewer line right along by the property and overnight up goes the value. We have made more millionaires in this Province than you can shake a stick at in that way. If the land was laying there vacant you would probably have the land speculators move in as soon as they heard, got the inside dope that a water and sewer line was going along by the property. They probably went down and bought it for a couple of thousand dollars. But nine chances out of ten the original owner still owned it when the water and sewer line went in, and the next thing, up goes the value overnight. I think that these people should pay for that and not take it out of the backs of the taxpayers, whether they live in

MR. NEARY: the community or whether they are provincial taxpayers.

Now, Mr. Speaker, I spoke a little longer than I intended on this, but I could not help, Sir, but get carried away with clause 11. I appeal to the minister's good sense and good judgement to take that insulting clause out of the bill. There are a lot of things in there that are pretty good, but there are a lot of things in there that are pretty bad.

Clause 3. As I say, this is a major thing. The amendment would prohibit councillors from voting on or speaking to matters before council in which they have a direct or indirect personal interest beyond their function as councillors. Well I wish we could apply that principle to members of the House of Assembly. We are quick enough to do it in the case of the municipalities, the incorporated areas. It probably needs to be done, but I wish we could apply the same principle to members of the House of Assembly, who in my opinion are in conflict of interest.

Now, Sir, I will leave the rest of the stuff in this bill for maybe some other members who wish to comment on it, but I would like to again say to the minister; the minister better slow down or he is going to put every municipality, every group of councillors in Newfoundland, he is going to put them into a position where they are going to be forced to resign for their own protection. They will not be able to stand up against the criticism and the abuse that will be heaped on them in their own communities. Life is too short for him to make enemies, to make bad friends. So the minister had better take another look at this attitude. And the minister also had better take a look at the possibility of remunerating people who live in larger communities for serving on town councils. In some cases they do not even get their expenses paid when they come to St. John's.

So, Sir, we have come a long way, we

MR. NEARY: have a long way to go. There is need for reform, but for God sake, let us not try to get our arms around the world overnight.

MR. SPEAKER: The hon. the member for Port de Grave.

MR. DAWE: Mr. Speaker, I want to place on record here that I agree with the last speaker, the member for LaPoile (Mr. Neary), with regard to disenchantment of the various mayors and councils throughout this Province. Only these last two days I had the experience to be insulted by the hon. the minister of this department.

A communication was to be sent to the Town of Bay Roberts. I spoke to the hon. the minister Tuesday night and asked him to indicate to me what the communication was going to be to the Town of Bay Roberts with regard to their request for water and sewerage and a paving programme. The hon. minister indicated to me that he would be advising the council in the morning and every councillor would know by telegram the result of the government's decision. In no way was I taken into his confidence. In no way!

I go home the next morning and on a public street in Bay Roberts the people knew of a communication from the minister to a private group in Bay Roberts. Only at twelve o'clock today did the council in Bay Roberts receive an official communication from the hon. the minister indicating the result of the government's decision. I will not be surprised if the minister receives resignations from the town of Bay Roberts for his disgusting attitude. I say to the hon. the minister here now, that is his first occasion doing that with me and it will be his last. It will be his last. He will never treat me again, he will never have the occasion to treat me in this respect, never again. Because I will have no communication with him in no manner shape or form while I am a member of this House. I will carry out my duties as the member of the district through the official departments of the government. But in no manner, shape or form will I have

MR. DAWE: any communications with him in any way, when I know that a public group can find out a decision of this government before me as the elected representative or before the council.

I want to place this on record and I want to assure the hon. minister that I will not forget it. I will not forget it, and I mean that. I am not the sort of person to get up and say words I do not mean, and tomorrow morning forget this. I will never forget this as long as I am a member of this House. The hon. minister will know in the next few months and the next few years, he will know in some way of my attitude. I think it is disgusting, disgraceful. I cannot use the words. Even the Mayor of the Town of Bay Roberts had to phone the department yesterday afternoon, after he heard from a private group the decision of government, to find out what the news was. He was amazed he could not find out. I could not find out. I had to go and threaten an official - I will not name the name - to find out what the communication was from government. That is how I got an answer.

The gall of the minister to take such an attitude. I can assure him, and I want to place this on record, he has not heard the last of this. I am telling him that he is probably going to have resignations from the Town of Bay Roberts because of the disgusting attitude of the minister in not communicating with the council irrespective of myself. I did not mind myself, but the council. A public group in the Town of Bay Roberts knew of the official communication, the decision of the government in this regard before the Town Council of Bay Roberts. I want to place this on record and let the minister know what happened.

MR. MURPHY: Who was the group? Could the hon. the member tell me?

MR. DAWE: I could name the group. If you want me to name names I can name them, yes.

MR. MURPHY: Were they a group as such?

MR. DAWE: They were a private group at a Lion's Club meeting. A private group, the elected committee. The road is not going to be paved in Bay Roberts this summer and naturally they were disgruntled. That communication was communicated to them. And not only that, two days before, I told the minister myself, I was told before this by another group the decision of the government. They told me that had gotten if from the minister. I cannot confirm that but I can confirm the last one, and I can assure the hon. minister I will not forget it either. I think it was a complete insult to me as the member for the district and a complete insult to the town and the council of Bay Roberts, his attitude.

MR. NEARY: Hear, hear!

MR. SPEAKER: The hon. the member for Fortune-Hermitage.

MR. WINSOR: I would like to say a few words on this bill before us. Having been a mayor for ten years in a town, I know some of the problems the hon. gentleman from Burgeo-Lapointe (Mr. Neary), talked about, and

Mr. J. Winsor:

I must say I have to agree with just about everything he said on this, and he said it rather well obviously. Raising the service fee to \$20 a year is 100 per cent, the one town that I know of, I suspect that AIB will be after the minister if he keeps doing this. There are many things in this particular bill I submit that are a little bit contentious, some very contentious. Old age pensioners having to pay double what they were paying it is going to be kind of tough. And as the member for LaPoile (Mr. Neary) said, this time of the night is a poor time to bring in this bill, because I am sure there are a lot of fellows hot under their collar in this House, probably some on the government side, if they had any experience with local government. And we should have more time to look at this. I think it is too strong, and almost everything that comes up now is asking for more money out of the taxpayer.

Inflation is something that everybody knows about. And all of the communities in the district that I represent if this bill goes through without us having more input into it, there is not enough of us here, there is not even a quorum on your side at the moment, if we let this go through without fighting it tooth and nail for some amendments I think we are going to be in serious trouble in our districts. That might be just fine and dandy for you fellows over there, but it is not for me. I am not going to talk on it because everybody is a bit tired and bored and probably a little bit mad over this bill. But I would strongly recommend that this bill be deferred until next Fall, let us have a chance to talk about it then.

Thank you, Mr. Speaker.

MR. SPEAKER (DR. COLLINS): The hon. member for Windsor-Buchans.

MR. G. FLIGHT: Mr. Speaker, there will be no dancing in the streets tonight in the small communities in Newfoundland. The Budget had no tax increases, Mr. Speaker. And for what we have seen today we did not need any, because practically every amendment has gone through the House, this is the second one today, having increased taxes to Newfoundlanders. There is not one item in that bill that

Mr. Flight:

applies to St. John's, Corner Brook, Grand Falls, all the larger centres, not one thing. All that is in that is to sock -

MR. MURPHY:

MR. FLIGHT: That is all right. You are paying for what you get -

MR. MURPHY:

MR. NOLAN: We are not getting anything.

MR. FLIGHT: We are not getting anything in return for what this bill says.

MR. HICKMAN: We are so. Sure we are.

MR. FLIGHT: The minister is socking it to the little communities

MR. MURPHY: Not socking it too them.

MR. FLIGHT: Socking it to the little communities with 100 population, community councils, no wonder today in Newfoundland that the average person mistrust town councils. The minister said, nobody is resigning. Well I will assure the minister that it is very difficult to find a man in any community outside of St. John's today to stand for a council, it is very, very difficult.

MR. PECKFORD: It has always been so.

MR. FLIGHT: It may have always been so, but it is going to get harder, Sir.

MR. PECKFORD: No, no. That is an opinion.

MR. FLIGHT: It is not only an opinion, Mr. Speaker.

AN UNN. MEMBER: You have three or four fools being elected in the next two or three weeks, we have a lot more candidates than were needed.

MR. FLIGHT: Mr. Speaker, you cannot get in Newfoundland today, there is no where there is trust. If you got a Comfort Cove situation you are going to have more Comfort Cove situations I guarantee you over the next two or three years.

Now the minister makes a minimum municipal fee \$20.00 no maximum. So you get some over zealous council who decides to say, sock - and this is interesting in light of this, that practically every town council delegation has been in to the minister's office this year, and went out of that office with this advice, you go out

Mr. Flight:

and raise the revenue you are talking about, you go out and sock it to the people in your town and collect, and then come back and talk to me, and maybe I will look at your project.

MR. PECKFORD: And rightly so, let them pay for it.

MR. FLIGHT: Rightly so.

MR. PECKFORD: We will pay for it.

MR. FLIGHT: Now there will be community councils in Newfoundland, there will be towns in Newfoundland after this bill is proclaimed that will put on a \$20. municipal service fee with nothing, but absolutely nothing in return for it. Once they are incorporated they have the right to put on the \$20.

MR. PECKFORD: No not if they got a return the people, I mean, it is a sort of revenue for the Province.

MR. FLIGHT: They automatically get a return in a revenue grant.

MR. PECKFORD: Sure they do.

MR. FLIGHT: But what do they get in return for the twenty dollars, in a community that just incorporates overnight with the -

MR. PECKFORD: They get more than with a service fee of five dollars.

MR. FLIGHT: And another thing too when any incorporated town comes here and asks for any service whatsoever the minister's first reaction is, go out and incorporate, and then we will talk to you. You must be incorporated. So they incorporate for the purpose of getting the services for which they are going to have to pay the twenty dollars, but they find themselves paying the twenty dollars weeks after incorporation because the pressure is on, Mr. Speaker. There is no justification for the minimum. There is not enough control over the maximum. There are councillors the same as there are politicians who will take advantage of any legislation that is put in their way to raise the funds. They want to make the minister happy, they want to make the department happy, say look I am a strong council. No, Mr. Speaker, this bill is not in the better interest of the small towns in Newfoundland, and the minister and this House over

Mr. Flight:

the next six or seven months or a year is going to hear that, and it is going to hear it directly from the councils.

MR. MORGAN: But they already know.

MR. SPEAKER: The hon. member for Baie Verte-White Bay.

MR. T. RIDFOUT: Mr. Speaker, I think a number of good points have been raised by hon. gentlemen on this side with regards to the clauses in this bill. But I want to go back once again to Clause (11), Sir, this is the second time in this House today that we saw a clause in a bill taking away the powers granted magistrates in the Summary Jurisdiction Act. Well I ask the government, Sir, what in heavens name are Clauses (84) and (85) doing there? Why cannot we take it away? Why cannot we do away with it all together? If it has not got any meaning for magistrates when it comes to dealing with delinquent taxpayers take them to court, with regard to town council taxes or community council taxes, if it has not got any meaning for people take them to court under the Wild Life Act as we saw here today, if it has not got any meaning for people taking them to court with regards to the School Tax Act, what is it there for? What is the point of it all? Where in heavens name, Sir, are we going with making laws in this House of Assembly without protecting the rights of the individuals of this Province? Now I have said that until I am almost blue in the face on two or three or four or five bills here over the past couple of weeks. I do not want to sound like a pro gratis preacher of individual rights or individual freedom. But what is that act here for? If the Minister of Justice, I do not care who he is, whether he is a Minister of Justice of this administration, whether he is the Minister of Justice of some other administration ten years time, if the Minister of Justice has the right as he does under this act right here before us tonight, and as he did I believe under an act here this evening, if he has the right to overrule the discretionary judgment of a magistrate then what are we talking about? Where are we going? Who makes the decisions any more? Or what is the purpose of the courts? We have

Mr. T. Rideout:

got to be very careful, Sir, were we tread in this Province when we are making laws.

MR. NEARY: It is a complete sham.

MR. RIDEOUT: It is a complete sham. That is exactly what it is. I could not agree more with my hon. friend from LaPoile (Mr. Neary).

The magistrates, Sir, I would submit have to have the discretionary judgment in his court to take into account as the Summary Jurisdiction Act says, cases of character, age, health, mental condition, or other insinuating circumstances. All that is going to be taken away from the magistrate, placed in the hands of the Minister of Justice to do it as he wishes. I say, Sir, that is not good enough. That is not the way to make laws. If we are going to make laws as we are sent here to do we must always be conscious of the rights of the individual. And we are not conscious of that in this act, we were not conscious of it today when we amended the Wild Life Act, and we were not conscious of it today when we amended the School Tax Act. So what is happening? We are eroding taking away the discretionary power of the courts to look on cases in their own special merits.

MR. NEARY: We are making a dictatorship out of the Minister of Justice.

MR. RIDEOUT: So I would say it is just as well for us to take the Summary Jurisdiction Act, especially Sections (84) and (85), and I am no lawyer, but from my little poor man's mind it is just as well to take that and throw it out of the window here on the ninth floor and let it sail away because it has no more meaning. It has no meaning as far as this bill to amend the Local Government Act is concerned. It has no meaning as far as the bill we passed today to amend the Wild Life Act is concerned. What is the point of it all?

If the town councils or the community councils cannot go to court, Sir, -

AN HON. MEMBER: Hear, hear!

MR. RIDEOUT: - and stand on their own legs and make a case where the magistrate will impose the fines and order the client or the

Mr. Rideout:

citizens to pay the tax required then they got no darn business of going to court in the first place. Let them go to court and prove their case. Let the judge or the magistrate impose the fine and impose the sentence but do not going away with the protection that some past legislature as seen fit to give to the courts of this Province under the Summary Jurisdiction Act. I would say it is better for us to write into this bill, Sir, provisions for the councils to go and tell people who have problems paying their taxes to go tell them that they may be eligible for exemptions. Go tell them that. How many councils tell people they might be eligible for an exemption? How many councils as a matter of fact - and I have run up against this in my district - how many councils

MR. RIDEOUT: actually have a form in their office to give a person to fill out asking for an exemption, not very many.

MR. PECKFORD:

MR. RIDEOUT: Well I will tell you that not many councils in my district at least have them. I know of very few community councils who have them, town councils I am not sure of. It comes down to the point again, what are we doing? We are taking away discretionary power from the magistrates. We are replacing the discretionary judgement of the courts with that of the Minister of Justice and I am not questioning his ability, but why should he be placed in the position of overruling a judgement that the court has made. We are talking about basic human freedom here. We are talking about basic human rights and we are trampling that into the ground twice today, twice today in this hon. House we have passed bills doing that and I would submit, Sir, that this is not good enough. I would ask the minister responsible for this bill to take that into consideration. Out of everything that could be said about this bill, section 11 is the one that urks me most. I cannot sit in my place here and see the basic rights of our people eroded. It is happening all around us every day. We cannot let that happen without pointing it out. This is the second bill today in which it has happened. How far are we going to go?

As I suggested we might as well take section 85 now in the two cases I have seen today and just throw it out. The magistrate has no more discretion. He cannot take into account special circumstances anymore. He cannot take into account a number of things that section 85 applies. He can take it into account but the Minister of Justice can say, "Sorry old pal there magistrate but I see it the other way. On the recommendation of the council or on the recommendation of the Minister of Municipal Affairs I see it a different way and we are not going to allow that to happen. We are going to change the

MR. BIDEOUT: rule altogether."

So, Sir, I just cannot vote for section 11. There are other points in the bill that I certainly could agree with. There are points brought up by members on this side that I think are very legitimate and I would hope that the minister would take into consideration. But section 11, on that section alone I would have to vote against everything in that bill because I just cannot sit here in my place and see happening for the second time in the same day what has happened here today, doing away with the protection that we gave our people. There must have been some reason for putting section 85 in that Summary Jurisdiction Act. I did not know anything about it. I had to go out a few minutes ago and look it up because it is the second time today that I saw a bill coming in taking away the rights given to our people under that and I say, Sir, it is not good enough and I would ask the minister to please take those few remarks under consideration.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: If the hon. minister speaks now he closes the debate. The hon. Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, first to deal with the points brought up by the hon. member for LaPoile (Mr. Neary), especially the points dealing with the fact that in the last year or so the way the Department of Municipal Affairs has been operating or managed that it has encouraged the resignations of many councils around this Province. Well that, Mr. Speaker, is not the true facts of the situation. If hon. members will recollect several months ago when a number of controversies arose in places around this Province, particularly Summerford and Port au Port West, Aquathuna, where there was a strong feeling by local residences that they did not want to go towards a

MR. PECKFORD: town council. In both cases they had local improvement districts which meant they had all the same powers that a town council had for years and now are just making them more democratic by providing elections and having a town council. In those places where they objected and finally agreed to it, in both cases there were more than sufficient people to run for councils and there had to be elections. Nobody was elected by acclamation. And I just got the results in from Port au Port West two or three days ago and it pointed out the lively interest on behalf of the citizens over there to go this route.

So it is not true and if the hon. member for LaPoile (Mr. Neary) would only do his research and bring in facts and figures to support the kind of statements that he is making fair ball, fair ball. Then he has a case. But based on the kind of remarks that the hon. member for LaPoile (Mr. Neary) made, he has no case. There was no case to be made. He has not supported it with any documentation. He has not supported it with any facts. He has just made broad generalizations about a number of councils that he is familiar with and how they are dissatisfied with some aspects of municipal government in their particular area. So it holds no weight at all and I do not think it deserves any more comment than I have just given it.

To deal with the hon. member for Port de Grave, first of all, Mr. Speaker, let me say that the remarks of the hon. member for Port de Grave (Mr. Dawe) were irrelevant to the principle of the bill. But he that as it may I did not want to interrupt him. I wanted him to say what he wanted to say. But let me say that I categorically refute and deny the charges that the hon. member for Port de Grave (Mr. Dawe) has made. He is completely and utterly wrong in

MR. PECKFORD: the information that he has received from some of the people in Bay Roberts and before he makes charges he should have had - talking about contacting people, Mr. Speaker, he should have had the decency before he stood up in this House and made those charges, to ask me privately, did I or did I not, and listen to my explanation before he came out and made such charges and I would appeal to the hon. member for Port de Grave (Mr. Dave) that before he makes such statements he have his facts straight and have what he says documented before he does it.

MR. DAVE: You knew about -

MR. PECKFORD: So I categorically deny them. I categorically refute them. They are untrue. And the hon. member is under an illusion. Some people out in Bay Roberts have given him wrong information. I did not give any information relating to the projects in Bay Roberts to anybody in Bay Roberts. There were a number of people called me and I told them that the telegram would be going out the next day informing the council what was going to happen. I explained to them that there was \$5 million or more gone into Bay Roberts already on water and sewer, that I realized that the roads were in a real mess but that the government was also in a real dilemma as to what to do in Bay Roberts because of the kind of things that went on in Bay Roberts years ago relating to the design of the water and sewer. Talking about \$20 a year for municipal service fee, can any hon. member in this House just imagine the amount of money that has been poured into the hon. member's, the capital of his district, Bay Roberts, over \$5 million, no property tax and the people out there paying \$20 or \$25 a year at the most.

MR. MORGAN: No property tax.

MR. PECKFORD: At the most \$20, and now we are asking for \$20

MR. PECKFORD: a year minimum.

I recognize and fully appreciate, I come from outport Newfoundland too. I got small councils too. I know exactly what the hon. members are saying but let us be realistic, we are living in 1976 and you cannot expect government to pay every last cent towards all these services. It is impossible. Even with the \$20 service fee minimum, and even with \$12 a month, most of the municipalities in this Province have to apply then for special grants from this department and are applying every day.

I signed the minutes of the last finance committee meeting right here on my desk today, Mr. Speaker, of about thirty to thirty-eight municipalities where special grants were awarded in the last week, special grants over and above the revenue grant, over and above everything else, fifty-fifty fire-fighting, over and above sixty-forty paving and reconstruction of roads, over and above all of that. And that is what that subhead is there for, for when councils do get in trouble. That special assistance is still available if they can document that they need it. But it has to be documented. It is not going to be done like it was done in the past, Mr. Speaker, as long as I am minister, where a telegram comes in requiring \$1,000 or \$2,000 and automatically paid out of public funds.

SOME HON. MEMBERS: Hear! Hear!

MR. PECKFORD: It will be documented and when they can prove they need the money they will get it but not before.

MR. FLIGHT: What is \$20 per family in a community of fifty families? \$1,000. So what will it write off?

MR. PECKFORD: \$1,000 plus \$2,000 which is \$3,000. That is what it means. It means \$3,000, not \$1,000. That is what it means.

And even in the smallest municipality and I think I might have one of the smallest, Steady Brook I suppose is the smallest community councils, one of the smallest where you only

MR. PECKFORD: have thirty and forty families like I have in my constituency, there is no way the municipality can generate the revenue to even keep the roads in proper or to build a decent dump just outside their community. It cannot be done. And by increasing the minimum on the service fee you automatically increase the amount of money that government has to pay out. Government is committing itself next year, starting in January, to paying out thousands and thousands of dollars extra, because of the revenue grant.

MR. W. CARTER: Hear! Hear!

MR. PECKFORD: So we are saying you help, we will help. We are not saying you are going to have any more give aways and it is unfortunate that the former administration did not see fit for political reasons to gradually increase the minimum on service fee over the years so that now we are saddled with the same thing as we are in so many other departments where nothing was done for years and now we must make major reforms, even though they might be unpopular. We can only see through a tunnel. The time has come to look at things as they are and tell them as they are.

SOME HON. MEMBERS: Hear! Hear!

MR. PECKFORD: I will not back down on a minimum service fee of \$20 or \$25 a year and I do not think in the councils I have talked to, and the federation of municipalities that I have talked to and the majority of municipalities in this Province will not object to a \$20 a year service fee. As a matter of fact this deals with the Local Government Act, LID's, rural district councils and town councils, most of them are above it anyway, but some of them are not. And they are the ones that are always applying for the special grants to keep them afloat and it is time

MR. PECKFORD: to make it fair. If Robert's Arm in Green Bay is up to thirty or thirty-five dollars, or up past the twenty, and some other municipality, or some other district is down below it and therefore showing us, documenting to us that they cannot afford to keep this thing going for another month and we have to give them a special assistance grant, where is the fairness? Where is the equality? Because one municipality will deliberately keep its service fee down and live off special grants -

MR. NOLAN: That is right!

MR. PECKFORD: - whereas another municipality has the guts to bring in the proper kind of municipal taxation so that they will not need that kind of special assistance from government, where is the equality in that? There is none. \$10 million in the subhead for water and sewer systems this year, \$10 million for what? For what? For new water and sewer systems? No. Mr. Speaker, to subsidize on principal and interest all the loans outstanding.

How can one forget the Loan and Guarantee Act brought in by the Minister of Finance the other day for M and FC, of \$21 million last year, all guaranteed by the Province? And except for about eight or nine municipalities, all the interest and all the principal must be paid for by this government. And the new capital works programme this year of about \$20 million is done under the understanding by government that we are going to have to pick up the interest and principal on all of that. Now where is it going to end? M and FC now is in for about \$67 million to \$70 million which has to be retired. And the twelve dollars a month water and sewer rate and I have said over and over again, and will reiterate again, will only mean that municipalities will have a chance to maintain that system, and in many cases, still will not be able to maintain it. Still will not be able to maintain it.

Every day we are day we are down there approving special grants for communities. The Department of

MR. PECKFORD: Municipal Affairs has not lost its heart, but it understands that some people have to understand and some of the municipalities. We cannot have one municipality -

MR. HICKEY: Paying for the rest.

MR. PECKFORD: - paying for the rest, exactly! That is what it boils down to, and there is no fairness and no equality in it.

SOME HON. MEMBERS: Hear, hear!

MR. PECKFORD: It is not an undue burden. Everything in the last ten years have gone up more than from five to twenty. What is the percentage on that? Five to twenty, what is the percentage increase?

AN HON. MEMBER: Four hundred.

MR. PECKFORD: And what is it on? It is only on five dollars, as well. And it is only reasonable, and as far as I am concerned any reasonable member will see that there is no other way for Town Councils, Rural District Councils and Local Improvement Districts, all of which have usually a population of over 900 to 1,000.

MR. J. WINSOR: Would the minister permit a slight interjection, comment?

MR. PECKFORD: Yes, sure.

MR. J. WINSOR: Give you a chance to slow down. You are talking about municipalities, one supporting the other. The place I referred to where it went up 100 per cent, that is a fair rise.

MR. PECKFORD: Yes.

MR. J. WINSOR: I agree that these small places have to depend on government handouts, but that is the first level of government. They are not getting paid to do the job, there is no water and sewerage in that town, and in most of them there is no street lights, no garbage collections, there is no nothing. I am talking about my district.

MR. PECKFORD: Yes.

MR. J. WINSOR: You are hitting right at me down here.

MR. J. WINSOR: You are driving your eyes into me and I know what you are saying. I appreciate some of the things you are saying, but unfortunately --

MR. PECKFORD: I have the same problem.

MR. J. WINSOR: You have the same problem? But unfortunately you are living in this end of the Island too long, East of the overpass.

MR. PECKFORD: Who?

MR. J. WINSOR: You have forgotten about the small places, where you came from. I am still living in them and I say that it is too much, a 100 per cent increase and all the grand things you are talking about. Where nobody is paying for ours we do have to have grants to get certain things done.

MR. PECKFORD: Yes, and you will still get them.

MR. J. WINSOR: Very small ones we have gotten.

MR. PECKFORD: Yes. There is no problem.

MR. J. WINSOR: Handouts! Very small ones indeed!

MR. PECKFORD: No question!

MR. J. WINSOR: But we are doing the job. A mayor in a small town is doing the job of this government, and we must be merciful on these small towns --

MR. PECKFORD: I agree, I could not agree more.

MR. J. WINSOR: -- and the people in them.

MR. PECKFORD: I agree.

MR. J. WINSOR: I say a 100 per cent increase is too much.

MR. PECKFORD: 100 per cent of what?

MR. J. WINSOR: There are other points I could bring up but I will leave them for now.

MR. PECKFORD: The big comment that you made that I take cool exception to, almost as much exception as I took to the one that was made by the hon. the member for Port de Grave (Mr. Dawe), is that I live East of the overpass. Let me inform the hon. member

AN HON. MEMBER: (Inaudible)

MR. PECKFORD: Just let me speak now.

MR. NOLAN: Yes!

MR. PECKFORD: If he said it I can reply to it.

I have lived East of the overpass since last year, in the sense that the House has been opened and so on, and I am a Cabinet Minister. I happen to live or reside in South Brook, Hall's Bay. That I have never lived in St. John's for any period of time in my whole lifetime, that I was born in the hon. member for Bellevue's district. I was born in Markland and grew up in Whitbourne, and Lewisporte, and Marystown and other places, and all down the Labrador Shore. I know and I have little communities and the hon. the member for Burgeo-Bay d'Espoir (Mr. Simmons), knows as well as I do. I have little tiny municipalities, twenty and thirty families in them. I know exactly what you are talking about and I am saying, but it does not seem to be getting through, I am just trying to balance it out, that there is still a need for special assistance to small communities. I do not deny that and we approved thirty-five different requests from thirty-five different municipalities in the last week and will continue to do so, once they can document it.

I realize there are some real small - but they are exceptional cases, where a small municipality, because of the kind of terrain it has, because of the kind of people it has and so on, can exist without special grants, very often. On fifteen dollars a year they do it, they have some real good managers. But that is only one or two, and you cannot impose a principal or a policy based on one or two. You have to do it for the majority and the majority will dictate a higher amount in your minimum. That is all I am saying. That is all I am saying.

I know it is a high rise.

MR. J. WINSOR: May I interject for a moment? It sounds like you are making it mandatory for them.

MR. PECKFORD: Well, it always has been. There was a minimum before.

MR. J. WINSOR: No, they could make their own decision on what they charged.

MR. PECKFORD: And they can make their own decisions now, but we have to impose that kind of minimum -

MR. J. WINSOR: But you have a minimum.

MR. PECKFORD: - because of the kinds of money it is costing government. Government has a responsibility to discharge. Now when do you decide when we get into high finances like we are into? You have to decide somewhere along the line that more responsibility - there is nowhere else in Canada perhaps Nova Scotia is wrong and Manitoba is wrong or B.C. is wrong - nowhere else in this nation do you have the kind of municipal taxation structure that you have in this Province. Nowhere! Not near it! Nowhere!

In all the have-not Province of Canada they -

MR. NEARY: Nowhere else in Canada do they have the unemployment and the low wages that we have.

MR. PECKFORD: Even with these increase you are nowhere near them, and that is why we are not going to get near them because we realize that. It is all a matter of degree and it is all relative, but we are not even in the relativity if you put it on a point scale from ten to five - right? - in the difference between Nova Scotia and Newfoundland on all sectors - okay? - of society.

Okay, so it is Nova Scotia ten, five for Newfoundland. As far as municipal taxation goes, it would be about ten to one. So now we are bringing up the five to be level with everything else.

MR. NOLAN: Do not forget that in a municipal way in this Province we are prepared -

MR. PECKFORD: I agree. I agree with you, but as I understood it, Mr. Speaker, the other day when we put through the amendment to the Community Councils Act, the official Opposition agreed with the increase of twenty dollars. The House Leader

MR. PECKFORD: agreed with it for Community Councils. He said, "Our side, Mr. Speaker, our side over here really understands. I could" he said, "I could make a political issue out of this, I could, I could, I really could. There are politics to be played here, Mr. Speaker. Yes, there really is, but I am not going to. I am not going to play politics. We for our part, on this side of the House, understand that municipalities have to become a little bit more responsible. They have dragged behind in their taxation where government has gotten more and more involved to a greater degree. Disproportionately over the years government has become more involved."

It is funny. In one sense people want government to become more involved where there is money involved, but they do not want government to become involved in any other way. Give us the money but no strings on it. So we will argue against government involvement when we do not like it and we will argue for it when it comes to a few more bucks. There is a strange inconsistency present there. And now it is strange for me to see that the official Opposition had supported the twenty dollar minimum in Community Councils, the smallest municipal unit in the Province, and now find themselves having second thoughts, and now trying to argue from the point of view that this increase in the minimum is too great. For my part, Mr. Speaker, I think it is long overdue. I do recognize that for some of the smaller towns it is going to mean that there is going to be a lot of friction. Some of the councils are not going to like it, but I have a responsibility as a minister and I think I am doing the right thing. Therefore I am going to do it and I hope that the I can count on the support of my colleagues here on this side.

MR. SIMMONS: Will the minister permit a question?

MR. PECKFORD: Yes.

MR. SIMMONS: On another subject; I meant to have made just two or three brief comments, but I have a question I want to raise on a clause of the bill.

MR. PECKFORD: You can do it in Committee if you want.

MR. SIMMONS: No, I am going to be in Labrador tomorrow and I probably will not be here for Committee stage unless we get to it later tonight, but it is very brief and to the point.

I refer to clause (3). I do not know if there has been any comment on this. I have been out of the House quite a bit tonight, but I would like the minister to give his view on -

MR. PECKFORD: That is conflict of interest, is it not?

MR. SIMMONS: Yes.

MR. SIMMONS:

When I say his view, his view on how this is going to be policed if you like. The minister - we will not name names - but the minister is aware of the community as I am where this clause will be welcomed by everybody except a couple of councillors. I shall allude to some facts and the minister will immediately recognize the community and then I want to put a question to him. It is not a confrontation type question. That is not my point. I welcome this clause but I am concerned about the implementation and I am zeroing in on the word 'indirect' in the clause.

I will give an example. There is a community in this Province, a fair sized community, where mobile homes have never been allowed in the community. It is a well-known understanding in the community that that is for one reason, because the people who own a lot of the rental housing in the community, some of it very run down rental housing - but that is beside the point - but the interests that own a lot of rental housing in the community have always managed to keep a majority on council either within the family or who answer to the family's tune. It is a well-known understanding in that community that one of the big reasons they do that is to protect their rental interest. Now nailing that down, of course, and what I have just said, if you had to nail that down, it is another question. But I introduced the example because it is just that kind of example that will serve to abuse the whole intent of this change provided for in clause 3.

I interpret it to mean what it says, that no councillor shall speak in any matter in which he has an interest directly or indirectly. Now if one accepts the truth of the facts I have just layed out, then certainly it can be concluded that that group of people have at least an indirect interest. I do not think it could be argued they do not have an indirect interest. My question is, how do you police the clause. How do you ensure that the indirect interest is not paraded by the councillor while he sits at the council table? Does the minister get what I am talking about?

MR. PECKFORD: Yes. Well, you know, particular cases, the only way we are going to be able to deal with it is we are going to have to, especially in the case that you mentioned, to deal with it on an individual basis and get a legal opinion on the clause in question, legal interpretation of the clause. But your point is well-taken.

MR. SIMMONS: Suppose the question were to come up next week in that council meeting and it may well as the minister knows, the question were to come up, a motion before council to the effect that mobile homes be permitted within the town limits, under this section would those people be required to absent themselves?

MR. PECKFORD: I know what you are saying and I got it the first time. You know I would have to look for an interpretation of the clause, of the phraseology to answer your question. I would not be able to answer it directly right now. But it is a good point though.

MR. F. ROWE: Would the minister repeat what he said I said in connect with that?

MR. PECKFORD: Oh my, Mr. Speaker!

MR. ROWE: Just very shortly.

MR. PECKFORD: I said that the hon. member, the House Leader on the other side, on the Community Councils Act in the increase in the minimum that you could make politics out of it but you would not, that for your part that you are willing to go along with the legislation as it was.

MR. ROWE: No, no.

AN HON. MEMBER: Oh, oh!

MR. PECKFORD: Yes represents for their part over there.

MR. F. ROWE: We spoke against it.

MR. PECKFORD: I thought you spoke in favour of it.

MR. ROWE: No, I said we had to realize the fact that the minister is passing more responsibility down to the local level.

MR. PECKFORD: Yes but the whole tone of your remarks indicated to me that you did agree with it. You knew they could make politics out of it but it is -

MR. ROWE: Well I would not do anything like that.

MR. PECKFORD: You mentioned that responsibility through councils had to be greater. You mentioned that.

MR. ROWE: No.

MR. PECKFORD: Words to that or phraseology to that effect, did you not?

MR. ROWE: No.

MR. PECKFORD: Well okay if you did not I will just withdraw it. I am not too interested really what the hon. member said on the issue.

MR. ROWE: You should not discuss the hon. member either.

MR. PECKFORD: Well I thought I was interpreting you correctly and that is why I did and I am very sorry and I apologize.

MR. ROWE: Thank you very much.

MR. PECKFORD: I hope that I will never misinterpret your remarks again. I move second reading.

On motion a bill, "An Act To Amend The Local Government Act, 1972," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 78)

Motion second reading of a bill, "An Act To Amend The Highway Traffic Act."

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Mr. Speaker, this is an amendment to the Highway Traffic Act which is essentially a legal matter. The real gist of the amendment comes about because the federal government or the federal parliament I should say amended the Criminal Code of Canada and removed the power from the Criminal Code, the power for a magistrate to suspend or take away a person's driving license after a person is convicted of an offense under the Criminal Code such as drunk driving or whatever.

Now obviously it is necessary that a penalty of loss of license be imposed. I mean people cannot commit these offenses and be convicted of them and just continue to drive. So that the provinces, all the provinces of Canada, it has been necessary for provinces to make their own law in the Highway Traffic Act or acts of

MR. WELLS:

similar nature in order to deal with this question of suspension of license. So that what happens here now in Newfoundland is that the registrar of motor vehicles has the power to take away the license when a person has been convicted under the Criminal Code, say of drunk driving or leaving the scene of an accident or whatever. So the registrar does this.

Now as the act presently stands the registrar can take the license away and there is an appeal procedure set up whereby a person can appeal to an Appeal Board to get the license reinstated after the period of three months has passed. Now there are so many people who appeal this provision that in order for an Appeal Board or a system of boards to be able to deal adequately with this we would have to set up what would amount to almost another structure of courts all around Newfoundland. Experience shows that if, say, 6,000 licenses are taken away that 3,000 to 4,000 people will appeal it. To do that, as I say, we would have to set up almost what amounted to another system of courts. So it has been decided - and this is the real purpose of this amendment - that the registrar of motor vehicles will be empowered to take the license away at his discretion for a period of four months. So it will be not less than four months or at the discretion of the registrar for a period not longer than six months. For a subsequent offense, in other words, second or third offenses, etc. nine months. So the registrar has this discretionary period of between four and six months that he can take away the license after conviction by the magistrate of course in the criminal courts.

But the magistrate by federal statute, namely, the Criminal Code, cannot take the license. The registrar will now be able to do it four months or six months as the case may be. That is because it has been found absolutely impractical to have this appeal procedure because there is such a backlog that we would have to set up God knows how many appeal boards or if we were to just have one, two or even three appeal boards it would take more than four months

MR. WELLS:

for the appeal procedures to be gone through. So it is felt that this is the proper way and there is no question about it, Mr. Speaker, we have to in Newfoundland make it clear to people that drunk driving and other offenses under the Criminal Code of Canada are serious, that people are going to lose their licenses and it is no good to take the person's license away and then go and give it back again in no time at all. That does not achieve anything.

So with this amendment, Mr. Speaker, the registrar will take the license for four months or a maximum of six months at his discretion and that will be that. That is there are other changes consequent upon that and a couple of other smaller changes which are referred to in the explanatory note but that is the real gist of this amendment, Mr. Speaker.

MR. RIDEOUT: Would the hon. minister permit a question?

MR. WELLS: Yes.

MR. RIDEOUT: Clause 3, section 64 I think it is on page two of the bill, line four it says, "If the court before whom he is charged." I wonder if the minister would read that section and see if the 'if' is the proper word. It does not make sense to me.

MR. WELLS: All right, just let me read the whole thing.

MR. WELLS: where a person is charged -

MR. RIDEOUT: I thought it might be on less or something like that.

MR. WELLS: Yes where a person is charged under this Act or the regulations or under any provision of the criminal code arising out of his operation of a motor vehicle his driver's licence shall, if the court before whom he is charged otherwise directs, that should be unless.

MR. RIDEOUT: I thought so, yes.

MR. WELLS: Is that right?

MR. RIDEOUT: It would seem sensible for it to be unless.

MR. WELLS: Yes, it should be unless. I will ask the table officers to check that. But obviously I think it should be unless, that is a drafting error.

MR. SPEAKER: Order, please! I believe the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) is asking the minister if he will yield for a question but not to speak.

MR. WELLS: I was about to sit down, they are asking me one or two questions.

MR. SIMMONS: In the last part of the explanatory notes, the third right hand page over if you like, that paragraph beginning, "Although the above noted sections of the Act imply that a traffic officer has the power to stop motor vehicles there is no provision in the Act which actually gives him that power." The next sentence, "The Highway Safety Advisory Board requests that the Act be amended."

MR. WELLS: To include this power.

MR. SIMMONS: The question is is the amendment here? What does that sentence mean?

MR. WELLS: Oh yes.

MR. SIMMONS: Where is it?

MR. WELLS: The amendment is there.

MR. SIMMONS: Where is it?

MR. WELLS: Yes the amendment is in here. I will find it in a moment.

MR. MORGAN: Section 8, of 197.

MR. WELLS: Yes.

MR. SIMONS: Yes, thanks. I overlooked it.

MR. SPEAKER: The hon. the member for Fortune-Hermitage.

MR. J. WINSOR: This obviously, Mr. Speaker, a housekeeping bill and it does not require too much comment from us. I think everybody will be right behind the meat of the thing which is to tidy up some things which are changed by the amendment to the criminal code and my colleagues have stolen some of my thunder, the fourth line instead of "if" it should be "unless," and the court shall hold the licence until the determination of the charge against him. It sounds like you are going to take his licence away before he is convicted even though he is charged. It is this right to -

MR. WELLS: Which are you speaking to?

MR. J. WINSOR: It is in clause 3, section 64, down on the bottom the last two lines, or the last three lines and he shall forthwith deliver the licence to the court, and the court shall hold the licence until the determination of the charge against him.

MR. WELLS: Would the hon. member like me to reply?

MR. J. WINSOR: Sure.

MR. WELLS: That has always, since I have been in practice, been the position, what happens when you are charged with one of these offences under the criminal code, you hand your licence into the court. You give it to the police officer. I cannot remember now if it is give it to the police officer or hand it in when you go to court. I thin' you hand it in when you go to court. But then you ask the magistrate if you could have your licence back until such time as you are tried and he usually does it and that is really the effect of that section.

MR. J. WINSOR: Yes I thought there was an anomaly in that and to the lay man whereas lawyers say it the unlearned in law it would seem to be a rather unusual thing. There seems to be some confusion in, "Forthwith deliver their licence to the court." That is in subsection 2, "Forthwith deliver their licence to the court." There seems to be that how does the licence get back and forth from the Registrar to court sort of. The court delivers it to the Registrar.

AN HON. MEMBER: Upon conviction.

MR. J. WINSOR: Upon conviction, yes, that is understood. There is another thing there that says you are putting a lot of authority, let us see 66, "Suspension or cancellation of drivers licence page 4." It is the third paragraph down. "The Registrar may by order in writing suspend or cancel a driver's licence for serious violation of this Act or the regulations by the licensee or upon being satisfied of the unfitness, physical or otherwise, of the licensee or for any other reason appearing to the Registrar to be sufficient." It seems to put an awful lot of authority on one man. If he does not like my broken nose he can take my licence away.

AN HON. MEMBER: No. No.

MR. J. WINSOR: I am sure the intent is not that. I am just bringing it up. It seems to be not too well worded.

AN HON. MEMBER: Any other reason?

MR. J. WINSOR: Or any other reason? Yes you might have the hives or something you know, any physical disability that would impair your ability to drive. Maybe I should be articulated.

AN HON. MEMBER: But there is a court of appeal though.

MR. J. WINSOR: That is about the only thing I have to say about it. It is purely a housekeeping thing and the wording seems to be a little slopping there, no doubt done in a hurry as most of the legislation has been. The minister might care to comment on it a little bit.

MR. WFLLS: I will comment on that. Yes.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: I do not want to speak at any great length on this bill but with all due respect to the hon. member who just took his seat, Sir, it is more than just a housekeeping bill. There are some major changes made in the Highway Traffic Act, mainly brought about because of changes that were made in the Criminal Code and the amendments that are now before the House are not incidentally as the minister told us, all the amendments here are not just brought about as a result of the Criminal Code.

MR. WFLLS: I said in the main.

MR. NEARY: In the main but there are other substantial amendments in here that have nothing at all to do with the Criminal Code that are being made on the initiative I presume of the minister and the Advisory Safety Council. But there are some major changes that really had to be made to conform with the changes that were made recently, last year I believe it was in the Criminal Code, especially with the passing over of licences to the Registrar. I believe this now brings Newfoundland into conformity with the other Provinces of Canada. The amendment would provide that where a person is convicted under the Act the court would be required to send a report of the conviction to the Registrar.

Then it gives the Registrar some pretty sweeping powers under Section 66, the amendment would consolidate the various amendments to Section 66 of the Act. The amendment would also include as new legislation the provision that persons charged with drunk driving offences under the Criminal Code would not have a right to a review before the Driver's Licence Suspension Review Board. For a first conviction a person would lose his driver's licence for four months or at the discretion of the Registrar.

MR. RIDEOUT: Maximum six.

MR. NEARY: Yes that is right for a period of not longer than six months and for a subsequent offence nine months. This amendment would also take into account of the recent amendment to the Criminal Code as set forth in clause (2) above. So that is a very dramatic change in my opinion, probably all for the better.

There is one part that I do not understand and perhaps the minister could explain it to me when the minister rises to close the debate and that is clause (5), this amendment would further amend Section 78 of the Act which provides for compulsory third party liability automobile insurance by deleting the provisions which presently require insurance companies to file notices of termination and cancellation of insurance policies with the Registrar.

I would like to find out why it was necessary to have this eliminated. Maybe it is because of the new compulsory automobile insurance. I do not know but there must be some -

MR. WELLS: That is an administrative problem.

MR. NEARY: Maybe there is an administrative problem but I would like for the minister to refer to it when the minister is closing the debate. And the other clause to me that seems to make a lot of sense and seems to be a major step forward is clause (7), that has to do with, "the principal Act requires a driver of a vehicle upon the roadway of a highway to stop where a school bus has stopped on the roadway for the purpose of receiving or discharging school children. The term "roadway" as defined in the Act only includes the portion of the highway used for vehicular traffic, but not the shoulder unless it is paved." Probably, Sir, that is something that was overlooked in the original Act. It is a very important important amendment as a matter of fact. The amendment would require a driver to stop

MR. NEARY: and not proceed on any portion of the highway where a school bus has stopped on any part of the highway. The term "highway" is more broadly defined in the Act to include the entire width of the boundary line of the highway and includes the shoulder. This amendment would require drivers approaching from any direction to stop when a school bus is stopped on the roadway or on the shoulder.

Well certainly this amendment seems to me to make a lot of sense and I presume that heretofore if a bus was parked on the shoulder and the shoulder was not paved, not considered to be a part of the highway, that the law enforcement officers could do nothing about it. They could not chase these vehicles

Mr. Neary:

when they pass the school bus, and give the driver a ticket. And I presume that is the reason for putting it in, it seems to make a great deal of sense.

Now let me see what else is in here. There is one other thing, although the above notice section of the Act imply the traffic officer has the power to stop motor vehicles. There is no provision in the Act which actually gives the traffic officer the authority to stop a motor behicle. It is something I am sure that we all did not realize before that when the school bus pulled into the shoulder of the road, it was on the part of the highway that was not considered to be pavement that there is no way that the traffic officer could stop the motor vehicle and ticket the driver. And I believe this is the second recommendation we have seen from the Highway Safety Advisory Board. The other recommendation was in connection with changing of the signs to keep right except when passing.

MR. MORGAN: No, no they are against that.

MR. NEARY: They are against that.

MR. MORGAN: They were against changing that.

MR. NEARY: Oh they were against it. This is the first recommendation then of the Highway Safety Advisory Board that has been implemented.

MR. MORGAN:

MR. NEARY: Well it just goes to show, Sir, they are starting to do their work.

Apart from that, Mr. Speaker, I do not see too much wrong with the bill. It is a bill of major importance. It is not as the member says with all due respect just a piece of housekeeping legislation. There are some major reforms in here, and mainly brought about because of the changes that were made in the Criminal Code. But perhaps the minister when he is closing the debate can enlighten the House on the success so far of the R.C.M.P. road blocks in connection with impaired and drunken driving. I asked the House sometime ago if they could provide statistics on the decrease in the number of fatalities, the number of personal injuries, and the decrease in the amount of

Mr. Neary:

property damage since the R.C.M.P. started their road blocks. I do not know if the minister has the information at his fingertips, but certainly they would be very worthwhile statistics producing in the House because I believe that all members will be pleasantly surprised at the results. I think it is absolutely fantastic, and I would say we will probably have more hospital beds empty today as a result of this road block. And even though the Minister of Health through his restraint programme is cutting back beds here and there I would say that the R.C.M.P. and the road blocks have made a major contribution in freeing up a lot of beds that otherwise would be filled with victims of accidents along our highways. And I do not know if the minister has any information on his fingertips, but perhaps sometime the Minister of Transportation and Communications might get these statistics for the House.

MR. SPEAKER (DR. COLLINS): The hon. member for Baie Verte-White Bay.

MR. T. RIDEOUT: I think a couple of good points have been raised by the previous speakers, and I think my colleague was actually saying that a number of the changes in this bill were as a result of changes in the Criminal Code of Canada. And in that sense I am sure were housekeeping changes.

But, Sir, once again I have got to refer to Clause (3) Subsection (64), and the way I understand, I have read this Clause through now a half dozen times over the past couple of days when I was going through this folder here with bills in it. But when I read through Clause (3) it says, "Where a person is charged under this Act or the regulations or under any provision of the Criminal Code arising out of his operation of a motor vehicle, his driver's licence shall, unless the court before whom he is charged otherwise directs, be suspended from the date on which he is charged and he shall forthwith deliver the licence to the court and the court shall hold a licence until the determination of the charge against him." Now that, Sir, again to me is the key word, until the determination of the charge against him.

AN HON. MEMBER: Like the Criminal Code -

MR. RIDEOUT: Yes, I realize that. I hope I do anyway. But the concern to me here is irregardless whether it is the Criminal Code or not. Here we have a case where a guy goes before court and is charged with something under this Act as I read it or as it pertains to the Criminal Code of Canada which would again come under this Act I suppose. Say he is charged with impaired driving, for example, the magistrate or the court can take his driver's licence and until the determination that the charge against him, unless the magistrate otherwise directs as the clause says, can hold that licence, and therefore he cannot drive. Now, Sir, that to me is a plain case of a man being saying you are guilty when you are not proven guilty. The old adage of the law here, innocent until proven guilty to me, and again I am not a lawyer, to me under this Act or under this clause does not apply.

Now this is the third time, in the third bill today that I have risen out of principle, and objected to something that I see in a bill, in an Act about to become law by this House that to me erodes and takes away the rights of our individuals supposedly protected by our legal system and by our traditionary system. The magistrate unless he otherwise directs can hold that licence, the court can hold that licence until the determination that the charge is against him. I have seen, and I am sure that every member of this House has, I have seen court cases involving impair driving where the lawyer for the defendant could not show up because of other cases drag on for six or eight months. Could the magistrate in theory as I understand could hold that licence and the driver could therefore be prohibited from driving anywhere in this Province or in Canada, I suppose, for six or eight or ten months pending a court hearing. What happens to the legal principle that a man is innocent until he is proven guilty in this particular case? What happens to it? You know, it is just something that strikes me, I could be completely off base, but to me again it is something that is taken away the rights of the individual and I do not think we should be doing that. I think we should be protecting

Mr. Rideout:

them, not at the expense of society as a whole, no, but I do not think we should detract or take away unnecessarily the rights of the individual or rights of the individual citizen. As I read that Act until the determination of the charge against him, unless the magistrate otherwise specifies then an individual who is arrested for anything that falls under the Highway Traffic Act or pertaining to the Criminal Code of Canada could be without his driver's licence for an indefinite period of time until his case comes before court. And that flies right in the face of the English principles of Common Law and Common Justice as I understand them. I do not think we have any right to take that licence away until that man has been found guilty by a court of his peers, that to me means something, Sir, and I feel that meaning has been lost in that particular clause.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (DR. COLLINS): The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, I will leave any comments and replies to the last speaker to my colleague the House Leader regards to the decisions of the courts. The courts decisions are, of course, in conjunction with the charges under the Criminal Code. The concern of my department, the Registrar of Motor Vehicles Division will be only after conviction is made, when a conviction is made the magistrate or the court shall then issue a report to my Registrar of Motor Vehicles indicating to him then that he must prohibit the licence of that driver if he is convicted of being impaired. But the hon. gentleman's comment is well taken with me as well, and maybe my colleague the House Leader will explain the matter of taking a licence away prior to being charged and prior to being convicted by the court, but that is on a Criminal Code.

But my main concern is when the person convicted, what the action is then, and of course the action is the Registrar of Motor Vehicles then prohibits, it is no longer the courts or the magistrates, the Registrar of Motor Vehicles prohibits that person from driving a vehicle. And he has of course four months, now the charge is four

Mr. Morgan:

months without an appeal and six months maximum.

I would like to commend The Highway Safety Advisory Board. They are a voluntary Board appointed by my department, by government, by the Governor-in-Council. They have done an excellent job in the past number of months in travelling around the Province and holding public hearings. And the recommendations put forward by the Highway Safety Advisory Board, there are two changes now in the legislation as a result of the recommendations, one with regards to the authority to stop motor vehicles in the highway, that is, the Highway Safety Advisory Board recommendation. And also the other one with regards to stopping of vehicles with reference to school buses, to include shoulders as part of the highway.

MR. MORCAN:

So I would like to again commend the work of the Highway Safety Advisory Board and to point out that recommendations of the Safety Board are being accepted by myself as minister and my department. Although some of them are not being, the majority of them are.
Thank you.

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

The hon. Minister without Portfolio.

MR. WELLS: Not only did I enjoy but, you know, I have warmed to the remarks of the hon. member. He sounded like myself a few years ago. But it is like this business of taking away the license pending the trial. Now in ninety-nine per cent of cases the magistrate will give back the license until the person is tried and either acquitted or convicted whatever the case may be. But, you know, the trouble is that once you see what can happen in the business of law enforcement the only way I can describe it, it astonishes you. I mean there are people about in our society who care no more, say, for my rights or the hon. member's rights tonight. They could be had up, you know, charged with any offense, criminal negligence causing death or anything on the highway, give them back their license tomorrow morning in court or do not take it from them until they are tried and they go out with a skin full of booze the next night and kill somebody. I mean there are people whose idea of somebody else's rights are such that you know you just squash on them, just tread on them.

The magistrate has got to have the power to prevent, when he gets the feel of a thing he has got to have the power to prevent somebody from going out and being a depredation on other members of society. That is the reason for it and in the twenty years I have been in the courts it has always been so because some people are not like the hon. member or any decent thinking person, they would do anything. I have had young fellows over the years in my office, say, come in and ask for advice, drivers license taken away. I say, "Boy look it is a serious thing." They say, "I am going to drive anyway."

Mr. Mills:

"I do not care if the court takes my license for twenty years. I do not care about insurance. I do not care about this. I do not care about that. I do not care about the court and I do not care about you. I am going to drive." You see this attitude is so prevalent.

Even people who are not sort of crooks by inclination, even ordinary people, you would be amazed. I will never forget a case in court of a man who was blind and he was medically blind, he genuinely could not see and yet he retained a drivers license by simply filling out the form every year and getting his license and he would drive, not often but he would drive. He was driving on a highway in Newfoundland and he could see dimly the outline of the road - the medical people gave evidence that he was blind but he could see light and dark shades sort of - he could see the outline of the road and he was driving along and another car passed him. The window was open it was in the summer and this was the first he knew that another car was near him when he heard the roar beside the window and it frightened him so that he pulled over to the side and killed a small girl who was on the side of the road. It is fantastic what people will do. This man was not a criminal in the sense that we think of a criminal. He thought it was all right.

You have got to give the courts and the registrar of motor vehicles teeth to do something about that. It is like that section giving wide powers to the registrar. I agree they are wide powers. Twenty years ago I could have said the same as the hon. member, that this is shocking. But yet I have seen so much in the courts of what people will do, you know, in disregard of others that reluctantly I have to say that you have to give somebody these kinds of powers to try and give a measure of protection to the public.

Now this business of liability insurance that the hon. member for LaPelle (Mr. Meary) brought up about deleting the provision whereby the insurance companies would file notices of termination and cancellation of insurance policies with the registrar. It is a pity

MR. WELLS:

that has to be deleted. The reason given by the registrar which has resulted in the adoption of this amendment is that it is administratively impossible for him and his staff to handle the thing and that he would be so far behind that it would be meaningless. Of course a person now by law has to have insurance and the onus is upon him to have it. If he is stopped the onus is upon him to show he has insurance, not the other way around. So that the law is in operation.

I personally perhaps would like to see us have sufficient staff and all the rest to be able to keep that there but I do not believe in the information which we are given I do not believe it will cause any great hardship or detriment to the public. If it does of course it will be changed. But it is administrative basically. Apparently it would be a nightmare to try and keep up with it.

MR. WHITE: What is this business supposed to accomplish?

MR. WELLS: Well I suppose what would be, if for instance Mr. X had his insurance cancelled for some reason and you sent along the policy, well the registrar of motor vehicles would get in touch with them and say I want your plates because you are now not insured. That would be a good thing. Now he will not be able to do that but he says for practical purposes he cannot do it anyway. This is the reason for the change. Fortunately of course judgement recovery will have to be kept in place because there is the driver who will not get insurance anyway no matter what kind of laws you pass. So there has to be a mechanism remain in place to cover the person who drives or who causes damage to third parties when there is no insurance because as I say some people no matter what laws you pass will not get insurance, they will not do anything, they do not care.

So all in all I think these amendments are good, Mr. Speaker, and are necessary and brought about by changes in the criminal code and by necessity.

AN HON. MEMBER: Social pressures.

MR. WELLS: Social pressures my hon. friend says. Anyway, Mr. Speaker, I believe they are good and the government believes that they are worthwhile and accordingly I move second reading.

On motion a bill, 'An Act To Amend The Highway Traffic Act,' read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 99)

Motion second reading of a bill, 'An Act To Amend The Stephenville Limerboard Mill (Agreement) Act, 1972.' Carried.

MR. SFAWER: The hon. Minister of Mines and Energy.

MR. CROSBIE: Mr. Speaker, I rise to move second reading of this bill which is a very simple and not a complicated bill. In 1972 an Act was passed in this House of Assembly in connection with the Limerboard Mill at Stephenville to authorize the government to take over the Limerboard Mill from the Javelin Companies and to complete the project. At that time - there is no point going into all the history now - but at that time the project was in complete chaos and the only way the mill could be completed and operated was for the government to take it over to form a Crown corporation for it to operate. There is a limit in the bill as to what can be spent by the government in connection with the Limerboard Mill and that limit was the sum of \$90 million. This amendment would remove the limit of \$90 million and substitute a limit of \$115 million.

There are in the estimates of the House for this year an amount of \$25 million which is going to be necessary to be advanced in order to keep the Labrador Limerboard operation operating during the year that we are now engaged in. Mr. Speaker, the Limerboard Mill as is well known is not self-sustaining economically and it is not generating sufficient income to meet all its operating expenses, to meet payments on the debt, principle and interest and to generate enough money for capital improvements. The bill therefore requires financial assistance from the Government of Newfoundland each year in order to operate.

As I said in 1973 which was the last occasion when this was debated at any great length in the House it was not forecast then

Mr. COSBIE:

that the Linerboard Mill could generate enough money to sustain itself. That situation is still true and the reason for that is the wood situation with respect to Labrador Linerboard. It is the high cost of wood for Labrador Linerboard Limited makes it impossible for the mill to operate at a profit. The Labrador Linerboard Mill has very high cost wood from Labrador. The wood it gets on the Island is also high cost. The better wood limits are already committed to Bowaters and Price. Any wood limits that they surrender such as the Mooney Block on the Great Northern Peninsula is going to be expensive wood. It is going to be wood that is going to cost maybe eighty dollars, ninety dollar a cord by the time it gets to Stephenville.

So the wood problem of Labrador Linerboard Limited has not been solved by the government. I do not know if there is any way it can be solved. Until it is solved or if it is ever solved there is going to have to be continued support

Mr. Crosbie.

for the mill. Now the \$25 million that may have to be advanced to the mill this year, and it may be more than \$25 million, it could be \$30 million, it could certainly be more than \$25 million if all depends on what happens in the market, and what happens in the world economy generally. Of the amount of \$25 million approximately \$12 million is required to make payments on the principal and interest of the Javelin debt that was taken over in 1972. And the rest of the monies advanced are required in this year's budget, capital expenditures will only be about \$1.5 million because they are attempting to conserve every cent they can, and the rest of it will be required to meet cash operating losses during the year.

Now, Mr. Speaker, just to give you a few figures and then hon. gentlemen can make their speeches and I will try and reply. The production at the mill was 148,979 tons of rolled pulp and linerboard in its first year of operation, 1973-1974, 198,000 in 1974-1975, and last year, the year 1975-1976 when there were very poor market conditions 113,500 tons. The linerboard mill had to have downtime during the year and in addition there was a three and a half months strike. And this year our best forecast now is that with the present market conditions the production will be around 200,000 tons this year. The mill is now operating well, I mean the mill from an operating point of view of turning out linerboard is able to produce linerboard proficiently. If the market could sustain the mill would certainly be capable this year of producing about 250,000 tons of linerboard, after this year it could certainly turn out 275,000 tons and probably 300,000 tons within the next year or two assuming that the wood is available to achieve that production. But because of market conditions which have not improved, and which are not at the moment improving the mill has forecast this year to have to operate not in excess of 200,000 tons of productions in sales this year. The mill nets of the mill in the year ending March 31, 1974 were \$150.31 a ton, and then the next year it increased very considerably as prices went up to \$235.00 a ton, last year the mill net was about the same, but this year it is expected

Mr. Crosbie:

that the mill net will be somewhere between \$208 and \$220 a ton. Because of the down turn in the world economy last year the market position of linerboard was extremely poor. In Europe, for example, there was 17 per cent less linerboard sold last year than in the year previous. The productive capacity of linerboard mills usually increases from 6 per cent to 8 per cent a year. So there was a buyers market and the prices had declined and the prices have not yet come back. The recovery in the United States of America has been helpful but the American mills are still shipping linerboard to Europe at distressed prices, prices which may meet their costs but which do not meet our costs.

MR. NEARY: What about Castro is he going to take any of them?

MR. CROSBIE: Castro is taking some. We have a ship on the way to pick up 5,000 tons for Cuba now.

This mill is unable to sell its product down in the United States of America because the prices are too low there, but because of the present market situation and linerboard the prices are also low in Europe. In 1974 when the linerboard market was booming there was a \$75 a ton price difference.

So the situation is, Mr. Speaker, that if the House wants the Linerboard mill to continue to operate this year the amount that we are authorized by statute to advance to the mill or to guarantee for the mill has to be increased and we are asking the House to authorize an increase from \$90 million to \$115 million. If the House does not want the Linerboard mill to continue to operate then of course obviously the thing to do is to vote against this bill and it will not operate or it will certainly close at some point during the year.

The total production at the mill to the end of March this year has been 445,000 tons of rolled pulp and linerboard. Most of the sales have been in Europe, and South America, Central America, none sold in the United States of America. Our wood costs are extremely high. The wood costs average in excess of \$75, \$80 a cord.

AN HON. MEMBER: What is wood costing Price and Bowaters?

MR. CROSBIE: You know, I am not sure exactly what wood is now

Mr. Crosbie:

costing Price and Bowaters, but it would be in the high forties. And of course it is increasing because of the new labour contract. So I would say our average wood costs are at least \$30 a cord more. But we do not compete of course with Price and Bowaters, our competition is mostly with the American Linerboard mills and they are located in the south where they can get wood at \$25 to \$30 a cord, so that the wood costs of the mills that compete with us are less than half our wood costs. Now wood costs in the Scandanavian countries have been increasing also but they are not as high as our wood costs.

Wood from Labrador is extremely high cost because of the shipping cost involved, and is likely to exceed \$100 a cord this year. We are expecting to get about 150,000 cords from Labrador again this year. We have had to reduce the amount we are going to take of wood this year to try to conserve and to save the cash flow. There is a heavy inventory of wood at the mill because of last year's restricted production. So in order to assist in the cash flow the amount of wood to be purchased or produced by the mill this year will probably not exceed 250,000 cords, of that 140,000 to 150,000 will come from Labrador because you either take that from Labrador or you do not take anything at all, you would have to close the operations there. And although that is a high cost area one thing that must be remembered in that connection is that the wood has a better fibre, and I think the figure used is that the Labrador wood is probably about 20 percent better fibre content than wood from the Island of Newfoundland. So that when you look at the difference in the cost of the wood that has to be taken into account.

The mill has a number of problems, the principal one is the wood problem. We have problems because the mill was originally designed to use black spruce only, and now has to use both black spruce and a considerable amount of fir from the Island of Newfoundland. And there are a number of other problems that we have had over the last three or four years most of which have now been overcome. But the

Mr. Crosbie:

essential problem is that it is the high cost of its raw material.

Now, you know, I have heard criticism made of the management of the mill, a considerable amount of it unjustified. I can only say this that if we had the world's best management, and I think they have done a very commendable job with all the problems and difficulties they have had, if we had the world's best management of that mill, superb perfect management I do not think that it would matter, it might matter another \$2 million, \$3 million or \$4 million, certainly no more than that, but that is not -

MR. NEARY: What is Mr. Ingram's salary now?

MR. CROSBIE: Mr. Ingram's salary is, I think it was tabled here before two or three years ago, it is in the neighbourhood of \$80,000 a year.

MR. NEARY: Does he own a home?

MR. CROSBIE: I think he also has a home there and various other fringe benefits.

MR. NEARY: Does he have a car?

MR. CROSBIE: He would have the normal, you know, benefits that anyone has.

MR. NEARY: About \$100,000.

MR. CROSBIE: Well it could come to that all told, yes.

So the essential problem, Mr. Speaker, which has not been overcome, and I do not know whether it can be overcome is the wood problem, it is the high cost of wood. And, of course, it is the fact that you cannot guarantee that you are going to be able to get 600,000 cords of wood a year if the mill operates at its full capacity.

MR. CROSBIE: As far as the prospects of selling the mill to some other company to operate it is extremely unlikely because they are faced with the same problem, they are faced with the same high cost of the basic resource, which is the wood. I do not think there is any easy way out in that direction either.

Well, Mr. Speaker, I was just in Switzerland for a day or two -

MR. F. ROWE: Checking on your bank account?

MR. CROSBIE: I wish I had one over there. I would like to be able to check other peoples but, of course, the Swiss are very secretive about who has bank accounts there.

MR. NEARY: Did you go by Swissair?

MR. CROSBIE: I did. A delightful airline, far superior to Air Canada.

MR. ROBERTS: What about Mr. Moores, is he flying EPA?

MR. CROSBIE: I do not know because EPA does not confide in me any longer.

MR. NOLAN: They have an arrangement.

MR. NEARY: Do not make us laugh.

MR. CROSBIE: What?

MR. NEARY: Do not make us laugh. How naive and how gullible does the hon. gentleman think we are?

MR. CROSBIE: The hon. gentleman gets baffled and confounded and confused when he meets an honest man. And when I say that EPA does not confide in me -

MR. NEARY: I was stricken when I saw all the holding companies and all the trust companies, and I know how long he has been on the boards.

MR. CROSBIE: Mr. Speaker, I am not going to allow the hon. gentleman to get me excited. I am very calm and collected and my conflict of interest statement is filed there. I do not have any interest in that company or any others associated with the Crosbie interests. So he can say what he likes.

MR. CROSBIE: Now where was I? Oh yes, I was just on the Linerboard - I was in Switzerland -

MR. NEARY: How about the Leematt Trader one?

MR. CROSBIE: That is exactly the same.

MR. NEARY: Is not the hon. gentleman a shareholder in Leematt Traders?

MR. CROSBIE: I hold a few shares in Leematt Traders in trust for my nephew. I do not own them, I am a trustee. They were left to him by his father.

MR. NEARY: And you are going to get the share that is changed.

MR. CROSBIE: No, I am not going to get the share that is changed. The shares are held in my name but I do not own beneficially any shares in Leematt Traders, but forget this irrelevance.

MR. NEARY: But where do you have your law practice? Call Andrew Crosbie?

MR. CROSBIE: Can I carry on, Mr. Speaker? I was in Switzerland attending a FEFCO meeting which is -

AN HON. MEMBER: A what?

MR. CROSBIE: F-E-F-C-O. This is an organization that meets every two years in Europe of the linerboard producers and the converters. They are the principal people. They get together every two years at this FEFCO Congress which goes on all week. But, of course, I could not tear myself away from this hon. House of Assembly to stay for the rest of the week, the meeting ends on Saturday. But anyway, the best intelligence arising from that meeting is that last year there was a 17 per cent decline in the sales of linerboard in Europe. The American companies started dumping linerboard in Europe and putting the price down last year, actually beginning from the Fall of 1974, the late Fall. That is still occurring. The KEA prices have declined a lot in the last year and there is discounting below the KEA price. It is not expected, by the best advice you can get, that prices in Europe are going to improve until sometime in the first quarter

MR. CROSBIE: of 1977, that is if their economies continue to improve and nothing happens to the U.C. economy, so that the situation is unlikely to change much during the balance of this financial year.

A mill net of \$208 to \$220 a ton for Labrador linerboard means that you are having a cash loss and that is why the mill needs to be supported, or has to be supported by us, if it is to continue operating. It costs more than \$208 or \$220 a ton to produce it.

So, Mr. Speaker, we have this operation proceeding at Stephenville and at Goose Bay. Unfortunately there is going to be reduced activity in the woods this year which is bad because it causes unemployment. We believe that it is a proper policy to continue operating the mill to see if the market improves next year as we hope it should improve. If it was operating at the rate it was operating the year before last, it provides employment directly and indirectly for about 2,300 people in the woods and at the mill and it has a lot of other benefits for the economy of Newfoundland, particularly the West Coast and Labrador.

Everything possible is being done to improve the operation but the basic problem, and I do not know how government can overcome it, is the high cost of the wood. The new Forest Tax Management policy will result in the present companies giving up areas, or permitting there to be cut on their areas that they are not now using themselves. They will allow the Crown, or Labrador Linerboard to cut on those areas, but these are still the high cost areas - one of them that I mentioned was the Mooney Block - so that the essential problem which is the high cost of wood to the mill, is not now being solved. I do not see how it can be solved. The only way it could be solved would be for the government to take over all the timber limits on the Island and reallocate them to the mills in a more

MR. CROSBIE: economic manner. That would be bitterly opposed, of course, by Bowaters and Price. They would say it is going to cost them more for their wood and you would have a tremendous conflict there. It does not appear to be a step that is likely to be taken so it is going to continue to have a high wood cost. Under those circumstances government are going to have to continue financial support if the mill is to continue operating.

That is why in this bill now we are asking the House to increase the limit because otherwise we will be restricted and we would not be able to guarantee the operation of the mill for the rest of this financial year. The limit applies, not just to monies advanced by the government, but also to any guarantees that might have to be given. There have not been any guarantees yet in connection with the mill, but there might have to be. The bank-line of credit is supplied without any guarantees. The bank is secured by section 88, the Bank of Montreal.

MR. ROBERTS: Will they do the same for a citizen?

MR. CROSBIE: They are good clients of the government and they are accommodating the Linerboard mill at the moment, but you never know when a guarantee may be required. Therefore, in order to give some flexibility, in order to ensure that the mill operates for the rest of this financial year, we have asked the House to approve this increase in the limit. I am sure there are bound to be some questions and probably the best way is for me to try to answer them after other people have had their say. So I would move second reading of the bill.

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

MR. ROBERTS: Mr. Speaker, at twelve-thirty in the morning I certainly do not intend to be very long on the bill. Another time, in another place it might be possible to get worked up. Because this matter has been discussed and debated in the House quite a number of times, let me say quite simply that we shall support the bill. We do not do it with any particular

MR. ROBERTS: joy, in that \$25 million of our credit is involved, but we do it with a great deal of joy in that survival of the mill is involved, and the mill has become an essential and an integral part of the economic life, not just of the Town of Stephenville, but of the whole area from the Port au Port Peninsula right down through Bay St. George, and I think it is fair to say in many other parts of the Province as well.

I think the minister has been quite frank. He has not told us anything we did not know, really, and he has not told us anything that I do not think he said previously. The mill, leaving aside the high construction costs, and we can have a lot of fun talking about those, as we have on occasion, but the mill is suffering very badly because the wood, which it uses to make its product, is very high cost wood and the only way to get that down is to find ways to lower the cost of wood. And for all the criticism there has been, and I have done my share, and for all the points that have been made, I do not think anybody has found a way significantly to lower the cost of wood.

I have talked to people knowledgeable in the field, knowledgeable in shipping, I have talked to people at Bowaters and at Price and, you know, they all say that there seems to be no significant way to lower the cost of wood that they know of. I think there are efficiencies which can be made in management, although I am told, and this comes from, I think, good sources, that within the last few months there have been significant improvements made, particularly at Goose Bay.

MR. ROBERTS: I think the minister will agree that the Labrador operation, the Labrador Linerboard have run the past two or three years has been very, very sloppy, maybe some of it was unavoidable but I think some of it was quite avoidable and I know that many of the people with whom I have been in touch feel that much more money was spent in Labrador than ought to have been spent.

But even conceding that and I think the minister would concede that, you still cannot find a way to bring the cost of wood down to a level which would enable the product to be produced at a price that is competitive in the market. So we are faced with the option either we support the mill or we see it closed and to see it closed would be absolutely unthinkable.

The only other suggestion I wish to make is the one I made before but I like it and I think it should be done, the public investment in this mill now must be of the order of \$250,000,000. I do not have the statements in front of me but it is around \$250,000,000. I venture to say that, and I do see how this out of any particular joy or glee but I venture to say that for years to come bills similar to this one will be brought before the House. And this is a bill in two senses of the word, Sir, it is a bill in the parliamentary sense, a word we use to describe a statute law proposal at an early stage of its life, but it is also a bill in the sense it is an invoice. It is an invoice to the people of the Province to keep the mill going.

Well I am prepared as a member of the House, as a member of the government I was and assuming that happens again will be prepared to do our share to make sure that bill is met. I think the cost is one which must be assumed in the public interest and it does not particularly bother me to assume it. What does concern me is that we have so little information on the mill. I do not want to start a row now, although I am quite prepared to

MR. ROBERTS: but I do not think anything would be gained from it at this point.

The suggestion which I want to make is that we should set up a select committee of this House, a standing committee I am sorry, not a select committee, a regular standing committee of this House, we might call it a Committee on Nationalized Industries or we might just call it a Committee on Labrador Linerboard, I think the matter is sufficiently important to justify a committee of that sort. The amounts of money are so great. The prospects of the mill are, you know, in simple words that we are going to have to go on paying these deficits for the foreseeable future. I have not seen any forecasts, I do not think the minister has either which indicate that in the foreseeable future the mill will even be able to pay its own way let alone amortize the \$250 million that has gone into it from the public chest.

So let us have a standing committee of the House. I do not think we need see any witch hunts on it. I have more faith in the House than that. In any event the government would be represented on such a committee in proportion to their numbers in the House which means they would have by definition a majority on the committee and let that committee consider the financial statements. Let them talk to the officers of the mill. Let them get such information as they feel necessary, necessary to ensure the House and the people of this Province that we are getting value for our money spent.

The amounts involved are staggering. We are talking, this bill now, Mr. Speaker, is \$25 million. If you say it quickly that is not much money but that is a quarter of what the Health Department will spend this year to run all the hospitals and pay all the doctors' bills in this Province. It is half as much as the Department of Social Services will spend for all of the upkeep and all of the assistance we give to all of the people

MR. ROBERTS: who look to the state for support. It is as much as we spend on our university. It is more than we spend on all our trade schools take together. It is a staggeringly large sum of money. It may not be exorbitantly large and I am not saying it is, what I am saying is that I think we need to develop a mechanism.

Two or three years ago when the bill first came before the House it was held out and I believe honestly so, I do not think there was any attempt to mislead, was held out as being a proposition of a one shot deal and then hopefully it would pay its way. Well it has become obvious, and I think the minister said this last year and a number of others of us have had a slice at it, it has become obvious that the mill is not going to pay its way. So let us think of a committee. Let us think of a standing committee -

MR. MURPHY: Just for that one or for town corporations?
I just wondered.

MR. ROBERTS: Well I would say to the Minister of Provincial Affairs that I would think just for this one. We are now getting into the Crown corporations in a large way but many of our Crown corporations, Mr. Speaker, are Crown corporations that do not operate. When I was Minister of Health I must have been a director of twenty-five of them. I did not even know how many I was a director of until the day we were to leave office Mr. Harry Dustan, an estimable public servant arrived in my room in the Department of Health with a sheet of letters asking me to sign them. These were my resignations as directors of company this and company that.

The Confederation Building is owned by a Crown corporation. All the lease back deals are under Crown corporations of one sort or another. I do not think we particularly need a committee to look into those. But certainly the Labrador Linerboard, perhaps the Marystown Shipyard, where we are getting into large continuing operations.

MR. MURPHY: - I was thinking to keep you up-to-date on all of this.

MR. ROBERTS: Well I think the minister and I are on one wave length on this one. But the linerboard is so important and is so crucial and is involving such large sums of money that I think we very well might look at it. I do not put that forth in any particular contentious way. I think it is the sort of thing that reasonable men examining the problem reasonably could agree upon. It would give us in the House a group of members who would be very knowledgeable in a way that most of us cannot be.

My friend for Stephenville, the member for Stephenville (Mr. McNeil) should sit on such a committee. The minister concerned would certainly sit on it and a number of others. Then we could invite Mr. Ingram to appear before the committee and to give us the benefit of his knowledge, and the other officers of the mill. And I may say I have spoken on occasion to Mr. Ingram, when I have had reason to I have picked up the telephone and called him or if I am in Stephenville I have sometimes run into him and had a chat or written letters. I find him very reasonable. I find him very accommodating. I think I speak - well my friend from Stephenville will doubtless speak but I think I speak for us all when I say that any dealings we have had with the company have been quite straightforward and if we ask for information where we are entitled to it we get it and on occasion Mr. Ingram has said he did not feel I was entitled to some information. He suggested I get in touch with the minister as the political level of control on the operation and that is fair game.

But I think it would be very useful to have a committee of that sort with Mr. Ingram and his officials coming before it. I do not think there is anything to hide, if there is the odd embarrassment in the operation well then let it come out and nobody will be the worse off. But anyway I put that forth.

MR. ROBERTS: If we can do it let us do it but in any event the legislation itself, so we have little choice. The matter was in the Budget. These are not monies we did not know about. I do not see any particular point in raking up all that has been said over the last three or four years on this mill. It is an object lesson in economic misdevelopment but we are in it now. We have got to make it work because to do otherwise would be to write off a large part of this Province and I am not prepared to do it, my colleagues are not prepared to do and I believe the government are not prepared to do it either and if the necessary cost is here then we will just have to face up to it and swallow it. We will support the bill, Sir.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, it is twenty-five to one in the morning and we have another major piece of legislation before the House. The administration is rushing, jet speed, to try and get the House closed up for some reason or other. This is a bill that could probably take a couple of days of debating. When the minister told us back on December 10th., 1975 that he had quite a bit of information on the Linerboard mill and that we would have an opportunity to debate it in this session of the House and then the minister said that he was prepared to give the committee the information. That was in that famous speech that the minister made that he got hauled over the coals for making by the Premier.

On page 2 I think it is, tape number 518, the minister says, "I am getting tired of hearing from my colleagues and hearing from other people how expensive Labrador Linerboard is, and how much it is costing the Province and what a burden it is to us, because there is nothing new in that, Mr. Speaker." I am quoting directly from the minister's speech from Fansard. "I hope there will be an opportunity to debate Labrador Linerboard in this session. I have a lot of information prepared on it."

MR. NEARY: Here it is twenty-five minutes to one when we are debating Labrador Linerboard in this session and the minister did not give us all the information he has prepared on it, because the minister realizes it is late night and the minister has probably been travelling most of the day, coming back from Switzerland or Norway, wherever the minister was and so we should be debating this bill in a much calmer atmosphere in the daytime instead of in the wee hours of the morning.

And then the minister goes on and says, "When I spoke in this House in 1972 and in 1973 in detail on Labrador Linerboard, I said then, and I say now, it can never be economically feasible. And I said then and I say now that it will always cost, it will always have to be assisted by the people of this Province, through the government, if it is to continue operating, because it

MR. MEADY:

has got the most abominable wood costs of any mill anywhere in the world. That is not the fault of Labrador Linerboard Limited. That is the fault of the original planning that went into it. That really means that it should have never been commenced. What a statement for a minister of the crown, a minister who is responsible for the Linerboard Mill, getting up and making these statements. Well we have not come to the worst yet, Sir. We are only getting warmed up now. The minister happened to be in a melancholy mood that day, in a kind of a pessimistic mood. He said, "That really means that it should never have been commenced, that construction should never have been started." I would say God help poor old Stephenville if the Linerboard Mill had not started. It is the only industry that is keeping the economy of Stephenville in fact right now. Even at that, Sir, there has been a drastic change, a drastic downward trend in the economy of Stephenville in the last year or two since this administration came into office.

I am told that in the last few weeks, in the last few months in Stephenville that no less than seven retail stores have closed their doors. Now that may be due partly, as my hon. friend can verify, may be due in part to the opening of the new shopping mall but not wholly, Sir. The businesspeople, the people in Corner Brook tell me that business in Stephenville at this particular moment is really, really bad. Well how much worse would it be if that Linerboard Mill was not there? Here we have the minister telling us that it should never have been started. Well what would we put in Stephenville? What would keep that part of Newfoundland going if the Linerboard Mill was not there?

AN HON. MEMBER: A ground pulp mill.

MR. MEADY: A ground pulp mill, whatever that means, Sir, a ground pulp mill. But anyway, Sir, that really means it should have never been commenced. That construction should have never been started because it was an economic impossibility from the start. I would

MR. NEADY:

say, Mr. Speaker, that the mistake that was made was not in commencing the Linerboard Mill, the mistake was made the day the government decided to take it over, that is when the goof and the blunder was made, when the minister hated and despised the original owners, the builders, the people who were building that mill, hated and despised them so much that the very first act of this administration was to give them the boot.

MR. J. CARTER: You would leave it with John Doyle, would you?

MR. NEADY: I would leave it with private enterprise.

MR. J. CARTER: John Doyle.

AN HON. MEMBER: It is not the same thing.

MR. J. CARTER: John is a private enterprise.

MR. NEADY: Mr. Speaker, that is the kind of a snooty remark you would expect from that big caloot from St. John's North (Mr. Carter) who spends most of his time up in the savory patch anyway.

MR. CARTER: Always repeating himself.

MR. NEADY: Yes and I will keep repeating it. Mr. Speaker, the construction should have been started but the government should not have made the mistake of taking it over. They should have kept the owners on the hook.

Then the minister goes on to say, "But when this government assured office, Mr. Speaker, if we had not taken over Canadian Javelin would have bankrupted itself." What an assumption that is. How does the minister know that? Canadian Javelin would have bankrupted itself. He says, "I will not go into all the reasons." Well we are asked now to approve a bill for another \$20 million or \$25 million for the Linerboard Mill and I am asking the minister now to go into all the reasons even though it is quarter to two in the morning. He says, "We saved them really. We saved them. They owe us a debt of gratitude, Canadian Javelin, for taking over that project. But if it would never have been finished, he says, had we not."

AN HON. MEMBER: It is not quarter to two.

MR. NEARY: Quarter to one or whatever it is. "It would have never been finished." How does the minister know it would never have been finished? The minister should have kept the owners on the hook instead of being so anxious to get launched on a witch hunt about three years ago, 1972. This is 1976, launched on a witch hunt four years ago that has not resulted in any decisions by the court yet.

MR. CROSBIE: They have all been thrown out.

MR. NEARY: All been thrown out.

MR. CROSBIE: All been thrown out.

MR. NEARY: Mr. Speaker, they have not all been thrown out because the minister would have gotten up in a minute and tell me that Mr. Doyle is a fugitive from justice.

MR. CROSBIE: That is only because they cannot catch him.

MR. NEARY: That is only because they cannot catch him. Is the minister now making a statement of fact or is that just the hatred coming out again and the revenge.

MR. HON. MURPHY: Just the viciousness.

MR. NEARY: Or is it the viciousness and cynicism coming out of the minister? Is it a statement of fact?

MR. CROSBIE: When did you talk to your buddy, John C. last? Why do you not ask him -

MR. NEARY: Mr. Speaker, I knew that that would get to the hon. gentleman. They will start now flinging their little bit of dirt across the House again, squirting their poison. The whole thing is just a political vendetta by a minister who has made more goofs and more blunders and more mistakes I suppose than any other minister in the history of this Province, the most expensive minister we have ever had in this Province.

He says, "We saved them really. They owe us a debt of gratitude, Canadian Javelin, for taking over that project. It would never have been finished. We would have lost \$130 million to \$150 million." That is all assumption, Sir. It is all propaganda. The minister cannot make that as a statement of fact. That may or may

MR. NEARY:

not be true. I submit that it was not. The minister can argue that it was. The minister rushed in. Fools rush in where angels fear to tread. That is what happened in this case.

AN HON. MEMBER: What are you reading from there 'Steve'?

MR. NEARY: I am reading from Hansard.

MR. CAPTER: Well table it.

MR. NEARY: You do not have to table Hansard. Since when does - the Editor of Debates, Mr. Speaker, the hon. big saloot should know that the Editor of Debates will table Hansard in this House, I do not have to table it.

MR. SPEAKER: Order, please!

The term that the hon. gentleman used has been used on a number of occasions. I do think it is necessary to intervene. I looked the word up in the dictionary not knowing what it meant and the definition is a disreputable looking person. So I would not think that it would be parliamentary. So I would ask the hon. gentleman not to use it.

MR. NEARY: I did not get that.

MR. SPEAKER: Since the term means disreputable looking then I would think that it is a term which should be avoided.

MR. NEARY: Thank you, Mr. Speaker. I am most grateful to Your Honour for looking it up in the dictionary because my interpretation of a big saloot and Webster, Sir, I am afraid are not the same. But however we will accept the definition.

Now then where was I there? "We would have lost \$130 million to \$150 million and would have nothing there for it," the minister says, "and it has cost us considerable money in the last three years to operate it including \$28 million from the estimates this year because there is no way it can operate itself and generate enough cash to pay the principal and the interest on the debt to meet these fantastic wood costs. We cannot sell - the hon. statesman from Twillingate (Mr. Smallwood) said somewhere recently in the House here that the mill

MR. NEARY:

should be sold, we should find someone to sell it to and take it over. 'There is not a person in the world - this is the minister now who is responsible for the Linerboard Mill, the minister who is supposed to be out doing a sales job, making the old sales pitch for the Linerboard Mill - there is not a person in the world who will pay us one dollar to take it over because they could not operate it and make money even at one dollar because it has no assured supply of wood.'

MR. DOODY: By some coincidence that is the same text arrived at by the

MR. NEARY: That is the same text. Well I understand, Mr. Speaker, that there are a number - I believe after the minister made that speech the hon. Premier sent for a copy of the speech made by the minister, that several of the minister's colleagues who were not in the House that day sent for copies of the speech. The minister himself sent for copies of the speech. A number of members on the Opposition side asked for copies of the speech and I believe there were anywhere from nine to twelve copies of the speech passed out by the Editor of Debates.

The one that I have, Your Honour, I was reading it

Mr. Neary:

to my hon. friend the member for Conception South (Mr. Nolan) and I underlined certain parts of it in red ink, the member was in my office. I underlined it in red ink, and there it is, it is still there underlined in red ink. And I can tell the hon. minister that the copy that went to the SEC went from a civilian outside of this House, and I happen to know who it is.

MR. DOODY: You would not name him?

MR. NEARY: No I will not name him. But it is somebody who is not a member of this House.

So, Mr. Speaker, I submit that the mistake was made in the beginning, that the minister was so anxious to get on this witch hunt after the administration took over, to get on this personal vendetta, this political revenge, kicked out the Canadian Javlin, and the government took it over, and that was just as big a goof as they made in taking over the Churchill Falls Corporation. And ever since the project is being mismanaged, no matter what the minister says, the project has been grossly mismanaged by a gentleman who was brought in here from the United States, who had no experience in operating linerboard mills, a gentleman who was just praised up by the Leader of the Opposition, was nothing but a salesman in the United States selling linerboard, now he is in here I am told this year, the minister says \$100,000 the gentleman is getting, I would say including benefits \$135,000 would be closer to it.

AN HON. MEMBER: Would the hon. member permit a question?

MR. NEARY: No I will not permit a question -

MR. DOODY: Come on, courtesy.

MR. NEARY: \$135,000, not \$100,000. The minister brushes my question off by saying, we tabled Mr. Ingram's salary a couple of years ago it was \$80,000 plus a home, plus fringe benefits, plus a retirement plan, plus a pension plan, plus insurance,

AN HON. MEMBER: A car.

MR. NEARY: - plus a car, and he said it is probably up to \$100,000 now. Well it is up to \$135,000.

MR. CROSBIE: That is being foolish.

MR. NEARY: That is not being so foolish. It is not bad for a gentleman who did nothing before he came here but sell linerboard, who had no experience in operating a mill.

MR. MORGAN: He sold it successfully though.

MR. NEARY: Sold it successfully, that is debatable, Sir.

MR. DOODY: It is not debatable. As a matter of fact

MR. NEARY: Mr. Speaker, the minister would do well to pay attention to some of the recommendations that had been made by people in the area, by people who held responsible positions with the logging operations and with the woods operations and the Linerboard mill. The minister would do well to pay attention to some of the reports that these gentlemen wrote and presented to the supervisors of that mill and of the logging operations.

Mr. Speaker, I raised this point in the House before, and it seems to have fallen on deaf ears, and I am going to raise it again now. It is not just hearsay either, and the hon. member for Stephenville (Mr. McNeil) can back me up, that there are millions of dollars of logging equipment lying around right here on the Island of Newfoundland and in Labrador rusting out. And as I said before, Sir, -

AN HON. MEMBER: Of course there is, naturally there is.

MR. NEARY: I beg your pardon?

MR. CROSBIE: Naturally there is.

MR. NEARY: Lying around, rusting out.

MR. CROSBIE: Not rusting out, lying around.

MR. NEARY: And the geniuses, Sir, that we are paying \$135,000 to were so farsighted that they bought all of these logging camps out in Western Newfoundland and were going to start cutting wood on the Island here, and now this year they are all closed down. They only bought them about a year or a year and a half ago. That is some planning.

AN HON. MEMBER: Smart thinking.

MR. NEARY: The Linerboard mill, Sir, according to the information that I have, bought millions of dollars worth of new logging equipment for the Newfoundland part of the operation before they had any area in which to log.

MR. CROSBIE: Right on.

MR. NEARY: Mr. Speaker, let me repeat this. Did you know, it says here, did you know that the Linerboard mill bought millions of dollars of new logging equipment for the Newfoundland operation before they had any area in which to log.

MR. CROSBIE: We know that.

MR. NEARY: This included several sets of logging camps. That is a statement, Sir, of fact. I wonder who sold the equipment?

MR. CROSBIE: I do not know.

MR. NEARY: Well I would like to know.

MR. J. CARTER: Probably John Doyle.

MR. NEARY: No, Mr. Speaker, the hon. member should realize that there is a motive sometimes in taking over some of these operations, the motive being that -

MR. J. CARTER: Paranoia.

MR. NEARY: No, it is not, yes it is paranoia all right.

Mr. Speaker, it is getting kind of late, Sir, and we have been here all day.

MR. CROSBIE: Well let us go home.

MR. NEARY: Just to ask the big galoot from St. John's North (Mr. J. Carter) if he could just keep quite, Sir, while I am speaking.

MR. SPEAKER (DR. COLLINS): Order, please!

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: This is a very serious matter.

MR. SPEAKER (DR. COLLINS): Order, please! The word in question has been ruled unparliamentary.

SOME HON. MEMBERS: Withdraw.

MR. NEARY: Mr. Speaker -

MR. SPEAKER (DR. COLLINS): The hon. member should withdraw and qualify.

MR. NEARY: Would do what, Sir?

MR. SPEAKER (DR. COLLINS): The word used was unparliamentary and the hon. member should withdraw it in an unqualified manner.

MR. NEARY: Well if Your Honour says the hon. gentleman is not a big galoot I withdraw it, Your Honour.

AN HON. MEMBER: More humbly.

MR. NEARY: Mr. Speaker, apart from the equipment that was used in two small operations near Stephenville most of this equipment that I referred to, Sir, is stored in some of the hangers out in Stephenville, it is out of sight, out of mind. This seems to be the policy.

MR. DOODY: At least it has not been left out in the open.

MR. CROSBIE: To rust! To rust! To rust!

MR. NEARY: Mr. Speaker, regarding the purchasing of equipment including logging camps there was a paper submitted to the supervisors of the Linerboard mill back in March 1974-and I have the paper in my possession-which stress the point of employing more privately owned equipment, and thus eliminating the huge capital spending on the part of the Linerboard mill. But the advice was never heeded, Sir, because you have these geniuses, these \$135,000 experts who felt that it should go off, get into the logging operation themselves when they could have hired private contractors, who could have done the work more efficiently. And I do not know, Sir, I do not know. It would seem to me-and this is not a reflection on the hon. minister-but it would seem to me that someone somewhere along the line got their paws greased.

AN HON. MEMBER: Name names.

MR. NEARY: No I am not going to name names, if I had to I would.

MR. J. CARTER: Withdraw.

MR. NEARY: No, Sir, I do not have to withdraw anything. I will say it again, Sir, in case the hon. gentleman did not hear me the first time-and I am not referring to the minister, the Minister of Mines and Energy who is responsible for the Linerboard mill to

MR. NEARY:

this House-that someone somewhere along the line with the extravagance and the waste and the wreckless spending must have gotten their paws greased-

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: Name names.

SOME HON. MEMBERS: Shame! Shame! Shame!

MR. MORGAN: Minimal stuff. Come on now. None of your innuendoes. Come on! Growing pains.

MR. NEARY: Mr. Speaker, the hon. minister can refer to this all he likes as growing pains, Sir, but this is sheer stupidity and lack of experience, inexperience on the part of the people who are in the position of decision-making.

Mr. Speaker, it was also pointed out to the woods manager regarding the set up of logging camps at Coal Brook which is approximately twelve miles from the Town of Stephenville. The uselessness of spending maybe \$300,000 to set up this operation and setting up logging camps when loggers could be bused from Stephenville instead of wasting money \$300,000 setting up these camps which are only twelve miles away. And the result of that was, Sir, that even though some money had been spent preparing the camp site that the company after going to all the expense of setting it up involving several hundreds of thousands of dollars finally decided this year to close down the operation. Now if that is what you call planning, Sir, that is long range planning

MR. NEARY: and that is what we are lashing out \$135,000 a year for for these geniuses.

Mr. Speaker, we were told here last Fall that the mill was closed down supposedly because the storage facilities were full due to ice preventing ships getting in and out of the port. Mr. Speaker, that was, in my opinion, a little bit of a red herring. The real problem, the real truth of the matter was that at the time the Linerboard mill had no markets, it was not because of the ice as the management of the mill led us to believe and the minister told us in this House was happening. Not only were the warehouses blocked in Newfoundland, Sir, they were also blocked over in Europe. I do not know if the minister, when the minister just made his recent trip to Europe, if he checked to see how the warehouses were in Europe, but I know at that time they were pretty well blocked.

The minister stands up with a face like a robbers horse and tells us that the Linerboard mill is selling no linerboard in the United States. Well, Sir, the minister should know full well that that Linerboard mill was not designed to sell linerboard in the United States. It was designed for the European market not for the United States market. Even though the minister made the great boo-boo, the great goof of going down and employing a United States company, and we saw a company set up rather quickly overnight to market the linerboard. And not only that.- what is it called? Kraft something or other. What is the name of the company that markets the linerboard? Kraft?

AN HON. MEMBER: I think it is Kraft Paper.

MR. NEARY: Kraft Paper, or something like that - not only that, but they have a representative on the Board of Directors of the Linerboard mill.

MR. PECKFORD: What is the difference if they can sell it?

MR. NEARY: If they can sell it well and good, but the Linerboard mill was not designed for the United States market.

MR. PECKFORD: Everybody knows that.

MR. NEARY: Everybody knows it? The minister does not know it. The minister just finished telling us in his introductory remarks that we cannot sell any linerboard in the United States. Well it was not designed to sell linerboard in the United States.

MR. PECKFORD: He never said it was designed to sell it in the United States.

MR. NEARY: Yet we went down and hired a United States firm, and then set up some dummy company overnight to try and market linerboard for us down in the United States, then took a representative of this company and put him on the Board of Directors of the Linerboard mill, of this marketing firm. So they know everything that is going on. Instead of keeping them at arms length, they take a representative of the company and put him on the Board of Directors and make sure that they will get it coming and going. They know all the problems of the Linerboard mill, they know the costs. They should have nothing to do with the Board of Directors of the Linerboard mill, they should be booted off as quickly as possible.

So, Mr. Speaker, just to summarize some of the points that I have made in connection with this whole operation, or that should be made, I would like the minister to tell us who was responsible for purchasing millions of dollars worth of logging equipment before any of the areas were allotted to cut wood? And why does the Linerboard mill keep a full supervisory staff for twelve months of the year without any work being done? I think I asked the minister this before about having all the wood coming to Stephenville East of Deer Lake transported by CNR. This would alleviate the traffic congestion on that portion of the Trans-Canada Highway from Deer Lake to Stephenville. There is no problem why this could not be

MR. NEARY: hauled.

MR. BRETT: Whom are you quoting?

MR. NEARY: I am quoting, Sir, from an hon. gentleman who happens to know what he is talking about, who has a greater knowledge of the operation of the Linerboard mill than the hon. minister will ever have. He has more in his little finger.

MR. PECKFORD: Is he still living?

MR. NEARY: That is for me to know and the minister to find out.

MR. LUNDRIGAN: I know who it is.

MR. NEARY: The hon. minister does not know who it is.

MR. LUNDRIGAN: I sure do.

MR. NEARY: Mr. Speaker, I would like for the minister to tell the House if it is correct that 90 per cent of the roads built by Newfoundland Forest Services within the last year or two were built for the Linerboard mill? And that the Linerboard mill are bidding against private enterprise on woods roads, if this is correct? And if there is any need for the Linerboard mill to go over to the mainland to get clerical personnel to come over and work in that mill?

I have been told, Sir, I do not know if it is correct or not, perhaps my hon. friend here might be able to enlighten me, but it would appear to me from the information that I have in front of me, Sir, that some of the key personnel in the Linerboard mill went over to the mainland, brought over some of their people who in turn now are sending back for their former buddies and bringing them down to Stephenville. This was something that I believe Mayor Fowlow kicked up a fuss about back in 1969 or 1970.

So all in all, Sir, the whole operation seems to be grossly mismanaged despite the assurances that the minister gives us to the contrary. The Linerboard mill should have never been taken over in the first place. It was a gigantic

MR. NEARY: blunder on the part of the administration. The Linerboard mill would have been complete, despite what the minister says, if he had not gotten on that witch hunt and gotten on that personal and political vendetta that he got on, that the administration will live to regret. The day will come when they will regret, Sir, that they ever got on that kind of a kick.

So, Mr. Speaker, I find myself in the same position as the Leader of the Opposition. This is the only salvation at the moment, for the economy of Stephenville. It is the only salvation. It is a good thing that the former Premier of this Province and the administration had the initiative and the foresight to put it there, even though it is costing us a substantial amount of money, \$25 million extra this year. It is a good thing it is there or everybody in Stephenville and vicinity right now would be on welfare.

MR. MORGAN: There might be something else there a lot more viable too, do you know that?

MR. NEARY: There would be nothing else there, Sir. Mr. Speaker, this hon. crowd have been there for four years, why have they not put something else there?

MR. PECKFORD: There are other things there now.

MR. NEARY: There are other things there now that have flopped. I doubt if there is - there may be one or two but I cannot think of one industry that has succeeded in Stephenville. Even their old buddy Howie Meeker that you see on television every Saturday night -

MR. MCNEIL: There are roughly thirty-five failures at the Harmon Corporation.

MR. NEARY: Thirty-five failures. There are thirty-five failures at the Harmon Corporation including one that was owned by Mr. Howie Meeker who got out and does not think that he owes this Province one red cent in arrears. They auctioned off his equipment recently, sold off some of the equipment and got \$7,000 back. Mr. Meeker is up on the television every Saturday night. I am sure he is raking it in and this government should get

MR. NEARY: after him and try to get some of the money back from Mr. Meeker, who I am sure is living quite comfortably.

Mr. Speaker, the only saviour, the only thing that is saving Stephenville and area right now is that Linerboard mill. And the Minister of Mines and Energy who was in the government at the time, I was not in the government, the Minister of Mines and Energy was in the government when that Linerboard mill was negotiated and approved and the contracts were drawn up, and the hon. the minister wants to fling John Doyle's name at me, he had more to do with John Doyle than I did, I just have a passing acquaintance with the hon. gentleman, barely spoke to him when I was in the administration. But the hon. the minister was cuddled up to him. Cuddled up! Kissing cousins, they were. They were inseparable.

MR. BRETT: Do you want him back?

MR. NEARY: Do I want who back?

MR. BRETT: John Doyle?

MR. NEARY: No, Sir, but I guarantee you this, I do not want Mr. Doyle back, but something I want back is this; and the day will come when this will happen, that the truth shall set ye free. And the truth one of these days will come out. The truth is, I would say, to a large degree the administration was conned. It was a con job. Revenge!

I remember the story about the two buildings

MR. NEARY:

In Stephenville. Remember all the fuss, Mr. Speaker, about the two buildings. There was an advertisement put in the paper, public tenders were called. Canadian Jewell bid \$150,000 I believe it was on the two buildings and they were sold and then the administration came in and took over. Then there was a great hullabaloo about this, a great fuss about it. Now they have given the two buildings away. The people of this Province, the public treasury could have gotten \$150,000 for these two buildings that would have been converted into a dormitory I believe or not a dormitory, into an apartment building and a hotel which would have been a real boom.

MR. CROSSIE: Do not be so foolish.

MR. NEARY: That is not foolish, Sir, these are facts. The minister just cannot stand the truth.

MR. CROSSIE: That is nonsense.

MR. NEARY: That is not nonsense. It is the truth, Sir. So now what happens? The government now today, this government that is supposed to change everything, that is supposed to be holier than thou sanctimonious, gives the two buildings away to a couple of their buddies.

AN HON. MEMBER: Oh, oh!

MR. NEARY: The names were in the Evening Telegram. The Evening Telegram blew the roast first and then I went down to check the share list downstairs and they had not even filed their share list. But the buildings then were given away.

MR. CROSSIE: Oh, oh!

MR. NEARY: It is kind of foolish all right, \$97 million is kind of foolish. The hon. gentleman would be better off if he went down to try to save the Pyramid Homes. See how foolish that is. Mr. Speaker, the mistake was made back right in the beginning, the mistake of the administration allowing itself to be conned into getting on this great witch hunt and taking over this Linerboard operation. Right at that time a buyer could have been found if it was necessary for

MR. NEAPY:

that operation instead of the government taking it over trying to operate the mill itself with inexperienced people, bringing up a salesman from South of the Border and paying him \$135,000 a year. No wonder the place is in such a mess. But nevertheless it is a good thing it is there and I find myself in the same position as the Leader of the Opposition.

We do not have any choice now as long as the government has it and they should be out trying to find a buyer for it. But as long as they have it we have no choice but to keep it going or force all these people to go on welfare. So, Mr. Speaker, like the Leader of the Opposition I have no choice but to vote in favour of this bill but I do it prudently, Sir, because we have not gotten the answers, we have not gotten a detailed report from the minister since the administration took over in connection with the Linerboard Mill. And the minister told us back when he made this famous speech that almost got him booted out of the Cabinet - the Premier was the first one to send for the speech in case the hon. minister wants to know, because he could not believe that the minister had gotten up and made such a speech condemning the administration and the Linerboard Mill.

So, Sir, we have no choice I suppose but to vote for it but we do it prudently because we know the place is being mismanaged, we know the government has made a goof, we know the government is not out marketing the product as it should. It is about time the government took a look at its marketing agency to see if there is a double-cross being pulled off there and what kind of a job they are doing. The minister can sit back and yawn and scoff all he likes but it is a pretty serious matter that is costing the taxpayers of this Province a lot of money.

MR. SPEAKER: The hon. member for Stephenville.

MR. MCNEIL: Mr. Speaker, I would just like to say a few words. First of all I would like to say that I support this bill and I do not do it prudently. I do it because I believe in the people of

MR. MCNEIL:

Stephenville. I think there has been mismanagement and that is no secret to anybody. There are problems there but I think they can be solved. If the hon. Minister of Mines and Energy who is the chairman of the board takes time and effort he will solve them. There is no doubt about it.

SOME HON. MEMBERS: Hear, hear!

MR. MCNEIL: But there are a few grey areas. For example the bark problem. There have been rumors that they are going to solve the problem, conserve energy but to date very little has been done to my knowledge. There is the paper chip problem or paper clippings which the hon. Minister of Consumer Affairs if he was down there he would start maybe a litter campaign to clean it up. They would probably give a few students a little summer work because it would take the whole summer to clean it up. It is an eyesore. If you do any scuba diving and if you went down to the dock you will see another mess below, not visible on the surface but underneath quite a mess.

The hon. minister says that the cost of wood is around \$100 per cord from Labrador. I have spoken to several contractors in the Stephenville, maybe outside the Stephenville area and they are delivering according to what they tell me for twenty-six dollars a cord. Now there is a vast difference. But when I look into their yard and see the equipment lying around rusting away I can understand that the cost must go up. I can also understand that in Labrador itself the woods operation - in the past weeks I have done some enquiries - and there has been vast improvements no doubt about it. You must give credit where credit is due.

But when you hear where there are power machines being burned, buried, stolen, etc., etc., you ask yourself where is your management. Now I know you should not be too critical of management. In an operation of that size you cannot do it all. The Linerboard market itself we understand is supposed to be a little bit weak. But from all indications it is supposed to improve. We are supposed to be

Mr. McNEIL:

on the upswing. But rumors around Stephenville say that the mill will close down in September. Is this true? Why is it going to close down? Is it market problems or is it just management cannot cope, management cannot manage? What is the problem?

I have spoken personally with some of the management people in Labrador Linerboard. I am no judge of the industry itself. I feel myself very inferior in trying to judge some of these people. But looking from a distance I feel that they are very highly qualified. But another problem comes to mind and when I speak to them they say that they are only here for a short period. So therefore I say to myself, they have not got their heart and soul into the industry. They are only here to take what they can get out of it and go somewhere else.

Then when I see the trading programme that is on the go in these past few months, the Iran trading programme well I say to myself well they are setting themselves up for the new Linerboard Mill that is going to open up in Iran. They are going to probably get fat salaries because the oil wells are booming. Better than Newfoundland because our hydro power is Quebec owned so we have no money here, we are a have not. So they will go to the Iran mill and receive fatter salaries.

I look at the area, Stephenville itself, and I see that if Labrador Linerboard was not there Stephenville would probably be non-existent. Do the present government suggest that we go back to the traditional ways, fishing, farming, logging? Well forget logging because where could we go now. But fishing and farming. Most of the original settlers have lost their skills. So you look at our past history,

MR. MCNEIL: you look at the trends and you see that in Stephenville there are two definite trends coming to the surface, and that is in an industrial sense, and in a recreational sense. These are two areas where Stephenville should be outshining any other part of the Province, and to date they are not.

Our Recreation Department is not functioning out there provincialwise, it is just there in name only. And probably our industrial commitment in Stephenville is in name only as well. Can the present government just drop Labrador Linerboard? I say they can all right, but it is not a very good or wise decision to make.

I have heard of the Gull Island project and I have also heard that equipment from Labrador Linerboard has been up at the Gull Island project, charged out to Labrador Linerboard. So when you look at Labrador Linerboard and say, you know, "Labrador Linerboard is costing the Province millions of dollars, it will never work, it is doomed," what else is being charged out that Labrador Linerboard is paying for? Are these just runours? I do not know. I can just go with what I hear. You hear a lot of things so you must just water them down.

There have been numerous industrial failures in Stephenville. The Harmon Corporation was set up to help promote industrial development. To date it has contributed an awful lot, but there are still missing links. For example; maybe it should have an industrial relations officer. Maybe, and I can go on, maybe! Maybe! Maybe! We should have, we must have.

I feel, and I have no financial resources to back me up, nor no economics, but I feel the major problem of Labrador Linerboard is not economics, it is man himself. We have not given it a chance. I have spoken with the workers themselves from day one. Go back right to the very beginning, heap big smoke but no fire. Years later we see a change in government; heap big

MR. MCNEIL: costs but no profit. What is the difference? Labrador Linerboard must work.

If You look across this Province you see Come by Chance, you see the phosphorous plant, you see small industries, if you just talk to individuals themselves, they are just losing confidence in themselves.

In my area, I grew up in Stephenville, as a matter of fact, my great, great uncle was the fist child horn in Stephenville. He was named Stephen Gallant and they named the community after him, so I am told. So I feel strongly for the area. I may not be the person to guide it through these difficult moments but I can say to the government that if I can help the Bay St. George area, in particular Stephenville, I will do everything in my power to do so, and they know that I am available.

I do not want to be too critical of Labrador Linerboard. During the construction phase, if I went back over there today maybe with a tractor, I could probably dig up a lot of buried treasures which cost the Government of Newfoundland, I would not want to put a dollars and cents value on it, but it cost the Government of Newfoundland a lot of money. I could go around and pinpoint areas where I saw things buried myself. But should we concentrate on the past? I do not think so. I think Labrador Linerboard has taught us an awful lesson right across the Island, in that we have to gain back our managerial disciplines. We have to be a little bit tough. I think the present Chairman of the Board has the ability, has the interest to try and make that operation work. I look to him to get it working because I think he has a genuine interest in that area and for all the people of Newfoundland.

As I say, I do not want to be too critical of the operation. I respect the minister highly and all I can do is trust and hope that he will find solutions and that I will be available to him or anybody else to help along.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. the member for Burgeo-Bay
d' Espoir.

MR. SIMMONS: Mr. Speaker, my colleagues, the Leader of the Opposition and the member for Stephenville (Mr. McNeil) have said most of the things we would like to say on this particular bill. Let me be the first though among many, I believe to congratulate the member for Stephenville on what has been a really tremendous speech. He certainly demonstrated to all of us a depth of understanding about the problems. It would be easy for him to stand here tonight and wave his arms and try and score some cheap points. Rather than that he has done what I believe is a courageous thing and he has done it very, very well. I am looking forward to hearing more speeches like that from the member for Stephenville.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Question!

MR. SIMMONS: Mr. Speaker, these are my friends.

MR. ROBERTS: You had better believe it.

MR. SIMMONS: Mr. Speaker, I believe, apart from giving a good speech and a courageous one, the member for Stephenville (Mr. McNeil), also put his finger on the essential problem, and an approach to solving the problem too. As I say, we can all stand here and wave our arms and scream foul and talk about what has gone wrong, or we can face what is a very important reality, that the Labrador Linerboard is an entity that we all want to see continue. It is an industry that we must have continue in terms of the economic welfare of Western Newfoundland and indeed to an extent, the Goose Bay area and Labrador.

I believe he put his finger on it when he talked about the nature of the problem. He said the problem had to do more with man than economics. During my visits to Stephenville, and during discussions I have had with people from Stephenville and people who know the operation, either as laymen or from inside the operation, the inevitable conclusion you have to come to after hearing them is one of lack of confidence in

MR. SIMMONS: the operation, and one of suspicion in the operation, one of considerable reservation about the way the operation is run.

The member for Stephenville (Mr. McNeil), talked about equipment. We all pick up rumours and they may only be runours. We are at that hour in the night, Mr. Speaker, when I think the minister will agree that if we are unloading runours it is not particularly for the press, it is to clear the air. I doubt whether the press will pick them up anyway. But it is to clear the air and get some answers.

Well I have heard a few rumours too. The member for LaPoile (Mr. Neary), has mentioned some too. The member for Stephenville (Mr. McNeil), has alluded to some, and I continue to get a lot of rumours about equipment, particularly forest harvesting equipment. I am told that somewhere on Linerboard properties, I could indentify the spot were it necessary, there sits fifty-three or fifty-four pieces of tree harvesting equipment costing from \$16,000 to \$20,000 per piece.

Now, Mr. Speaker, I can see somebody getting exuberant during his projecting period and coming up with two, five or eight pieces of equipment surplus to need, but, Mr. Speaker, fifty-two or fifty-four additional tree harvesters?

Mr. Speaker,

Mr. Simmons:

these are not manufactured rumours, these are comments, these are bits of information that get passed on to us, I do not know who the member for LaPoile (Mr. Neary) had as a source, but I can assure the minister that the person who gave me that bit of information is one who never worked for Labrador Linerboard, and therefore has not been let go, but a reputable citizen of Stephenville who has occasion to see the equipment with his own two eyes. He is not a gentleman who would be known if I dropped his name in this Chamber, which I do not intend to, but he is a person who I have respect for in terms of his ability to pass on information dispassionately and without exaggerating it to make a point. But that is just one example.

But it does raise the overall question, Mr. Speaker, about management and mismanagement. And I agree with the member for Stephenville (Mr. McNeil), I do not think this operation has ever really been given a chance.

Now, Mr. Speaker, when the minister gets up to close the debate I have no doubt - it being now that has been up really twenty-four hours - that he will use one of two tactics both of which he is very good at, and I always like to watch him employ these tactics, He will either try and dismiss the whole thing out of hand or he will clown around and tell us that its Paradise compared to what it used to be before Utopia arrived four years ago. Neither explanation, Mr. Speaker, neither approach of course will address itself to the problem that the member for Stephenville has raised and I want to reiterate right here, the problem of management of the plant.

And in concluding, Mr. Speaker, it being late at night, let me also say that we may, the member for Stephenville and I, may be completely off base on this particular subject, and if so, Mr. Speaker, we plead ignorance on the grounds of lack of information. Because, you see, Mr. Speaker, although the law requires that we be given as members of this House financial statements for Labrador Linerboard, the last

Mr. Simmons:

statement that we have access to is for the period ending March 31, 1974.

MR. CROSBIE: 1975.

MR. SIMMONS: Has the 1975 statement been tabled? The minister corrects me on that, and I went looking for it, and I went looking particularly for the information a couple of days ago in preparation for this bill, and I was informed that the latest statement was for 1974. The minister is correct on 1975 now?

MR. CROSBIE: Yes.

MR. SIMMONS: I see. Well that does change somewhat the comment that I wanted to make, because 1975 obviously is the most recent year really. The year March 31, 1976 is just but ended and one would not expect to have the reports perhaps for a little while yet.

The overall point I want to make though, Mr. Speaker, is that sometimes if we are obliged to drop rumours that we have heard or mention in the House rumours that we have heard it is largely because it is the only way to elicit information on this particular subject. Now, Mr. Speaker, the minister took strong exception to a statement by the member for LaPoile (Mr. Neary) about the total salary of the manager of the Linerboard operation. But again, Mr. Speaker, I am told that the actual taxable income including benefits of that gentleman is not \$100,000 as the minister suggests, but \$135,000. I am told that is a statement of fact, and that people who have had access to the records from a tax standpoint attest to that, that the equivalent taxable income - I am not saying he gets \$135,000 in dollars, but in dollars and in kind, in taxable benefits - that the amount coming out of the Linerboard operation is \$135,000.

Well now, Mr. Speaker, if that is the case why should we just have to speculate on it. Why is there not information available to us about what the manager, after all a public servant indirectly, is being paid indirectly by the treasury of this Province in that we are underwriting the operation to such a large tune, the very reason we are here discussing this whole matter again tonight. Why

Mr. Simmons:

is it so difficult to get some basic bits of information? Why is the information being fed to us in a very, very screened fashion? These are basically the questions I want to raise, Mr. Speaker, My overall comment is that I hope even if it means continuing to put some money into the operations, it certainly will, I hope this operation can continue, can continue to inject something into the economy of the West Coast, can continue to provide the jobs that it is so well providing for at the present time.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Mines and Energy. If the hon. minister speaks now he closes the debate.

MR. ROBERTS: Hear, hear!

MR. J. CROSBIE: Thank you, Mr. Speaker. Well, Mr. Speaker, I have to respond to a few of these remarks, and, you know, with one exception I think it was a very useful debate, and the exception of course was the usual one, was the member for LaPoile (Mr. Neary) who is not interested in trying to be constructive in any manner or on any subject, but always destructive and always critical and always attacking, always alleging, always intimating, always hinting at some kind of a scandal or whatever, and he is his usual self tonight, his usual way tonight.

I think that the Leader of the Opposition took a very proper position in this matter, and I agree with him, and in fact there has not been any government decision made on this yet. But I think that the proper way to handle Labrador Linerboard Limited is to have a Standing Committee of this House to whom, you know, who can spend a few days whatever it is each session going over the financial statements and discussing the affairs of the company of the Board of Directors and the management, and that will be far more useful of course than any debate as we are having here tonight could possibly be, and that is the way it should be handled. And I do not see any reason why that cannot be arranged, you know, if it is possible for

Mr. Crosbie:

this House of Assembly to function in any kind of a sensible manner at all, and then that would certainly be a step in the right direction. Now I do not know whether it is possible for this House of Assembly to function in any kind of a sensible manner. It has gotten right off the rails. I am not going to lay, you know, say that any particular party is to blame, but this House of Assembly is not functioning in any matter that can at all be said to be relevant or sensible, you know. In fact it is most distasteful. Having been gone for ten or twelve days it only reminds you how bad it is when you get back.

But assuming that the House can function in some sense of a Legislative Chamber, certainly the way to handle a matter like this is to have it done by a committee of the House who can spend two or three or four days reviewing matters with the management and the Board of Directors and so on, and getting whatever facts that they want. So I certainly feel that is the way to proceed.

MR. NEARY: Oh, oh!

MR. CROSBIE: Now, Mr. Speaker, you know, I would like for the hon. gentleman to be kept quiet while I am speaking. I am not interested in having a shouting match with him. I can out shout him, I can out wit him, I can, you know, more than vanquish the bellow if I have to, but I do not want to this hour in the morning, and therefore I prefer to speak without interruption from the hon. gentleman from LaPoile.

So I think that a Standing Committee of the House should be formed, and this has not got government sanction yet, but I do not see any reason why the government will not agree. And as a matter of fact I have been thinking this - the Leader of the Opposition certainly brought it up first in the House here - but I have been thinking this for the last several weeks myself, but it is the only sensible way for members who are really interested to get some grip on the problems that face, you know, that have been faced and that face the Labrador Linerboard.

Mr. Crosbie:

Now the member for LaPoile (Mr. Neary) referred to my statements in Hansard last December. I am simply trying to give the members of this House, Mr. Speaker, and the public if they are interested, you know what the facts are about the situation faced

MR. CROSBIE: by the Lincorboard mill. There is no one in this House who knows more about it than I do and I do not know enough. You just simply have not got the time to do anything other than give some kind of general co-ordination with the enterprise as large as that when you have other work to do. But the problems that have been faced and overcome in the last four years have been truly monumental and it has to be remembered that that mill would never have opened its doors, never, if the present administration of the Government of Newfoundland had not taken the project over and I am not going to go back on all the past history but the facts are all there for anybody who wants to see it. It was in a state of absolute chaos in January of 1972. Javelin did not have the money to finish it. They had huge guarantees from the government.

MR. ROBERTS: Javelin had not had the money even to carry on.

MR. CROSBIE: Right. They had not had it for ages. It had been carried on with government guarantees. There was \$25 million I think it was loose in Europe that Javelin had borrowed without the knowledge of most of the Cabinet.

MR. ROBERTS: It was pinned down, it was pinned down on Christmas Eve 1975 do you remember?

MR. CROSBIE: Well I cannot be exact. Anyway Javelin had gotten \$25 million, borrowed with the Newfoundland Government guarantee over in Europe without the knowledge of certain more responsible members of the Cabinet which had been pinned down but which Javelin refused to pay back to the government in December and January of 1972. This is the only mill in the world, Mr. Speaker, that was ever constructed where the management, there was not one person of management, there was not one member of the permanent work force employed at that mill at the time that we took it over in March of 1972.

MR. CROSSIE: You know when the mill was supposed to be three quarters or almost completed, it never had one member of the permanent staff retained at that time. There was no manager, there was no management. Usually you have the management and they are there while the whole thing is being constructed and they are checking how this is being constructed and how their own departments are going to function and so on. None of that, there was not one member of the permanent work force there when we took it over in March of 1972 and no management whatsoever. We had to call in consultants to see the thing was finished, Donald Dick and Kates, Peat, Marwick. And it took them a year to see that construction was finished and then start recruiting and trying to get the permanent work force and the management which it took them a year or so to do.

So this operation started with about one hundred strikes against it before there was ever a ton of linerboard produced. And you have got to add to that the fact that it was not economically sound in conception in the first place and that is simply obvious and the federal government made that decision two years previously when they refused to do the dredging of Stephenville and the Labrador to permit wood shipments to be sent down in 50,000 ton vessels. They turned it down because in their view it was not feasible and not economic. You could not get 600,000 cords of wood out of Labrador. The wood is not there to get and physically you could not deliver that much to Stephenville and the costs are fantastic and so on. There was never any proper feasibility study and on and on it goes. But all right it was built there and it was our decision, which was approved by the electorate of Newfoundland in March of 1972 and subsequent to that, to take it over ourselves and complete it and try to operate it although we knew the problems that we faced and that there was going to be severe losses and there have been and the fundamental

MR. CROSBIE: problem still remains the one I have said and that is the supply of wood.

So there was no original mistake. The government could be criticized, Mr. Speaker, on one ground only and that is that there is a logical school of thought which would say that in 1972 the whole thing should have been stopped then and \$120 million or \$130 million written off and a stop put to the whole operation.

MR. ROBERTS: Stephenville written off and -

MR. CROSBIE: Right. You cannot argue for that is a point of view that can be arguable. But for the member for LaPoile (Mr. Neary) to say that the government takeover was the original mistake is just silly. The original mistake was the determination of the former Premier to put a linerboard mill somewhere in Newfoundland, bring the wood from Labrador and to inveigle John C. Doyle or persuade or to drag him into attempting to do it without any proper studies, without the personnel, without the experience and the rest of it. That is the original mistake and our taking it over was not the original mistake.

Now the mill is there and it has got severe problems. Now the management is not by no means perfect. Mistakes have been made but a lot of the mistakes that have been made have been made because you cannot - in this operation you have to be able to start from a logical beginning and carry through. You are always going in starts and fits. For example yes there is surplus woods equipment not being used. It was not used last year. There was woods equipment ordered for a camp before the company had been given the limits to use that equipment to operate a camp. That had to be done because the company could not wait to be sure of the limit because you would have a six months or a year's delay in getting the

MR. CROSSIE: equipment, so it was ordered ahead of time so it would be available when the government provided it with the timber limits, which the government never did provide it with, and that was done because if the mill had been able to produce and sell 200,000 tons or 250,000 tons last year it would have needed every ounce of wood it could have gotten, well as it happened the market turned down. They had only operated for practically half the year, only produced 113,000 tons. It did not need 450,000 or 500,000 cords of wood so that camp did not open. So that is not a mistake on the part of the management of the company. They are only doing their job to try to get that equipment so that they could get the wood they knew they were going to need if everything went as it should have gone. Everything did not go as it should have gone so therefore there is surplus woods equipment.

There is a whole lot more equipment that is going to be there idle this year because the company that assists in its cash flow position is not opening South West Brook, it is not opening Fox Island River and therefore that equipment will not be used there because it needs less wood this year. So yes there is logging equipment on hand.

There were also mistakes made in the purchase of logging equipment primarily of course before it was taken over by the company. There were a lot of mistakes made by Javelin in the purchase of the logging equipment and there have been some since.

Now let us just get Mr. Ingram's salary straight. Mr. Ingram's salary when he started with the company two years ago was \$75,000 a year. He has a car and he has a residence and his travelling expenses and so on from the United States up to Newfoundland were paid for. He has the same right to participate in a company pension plan as the rest of the

MR. CROSBIE: employees. There is no special pension for him or the health and benefit plans, he gets a certain number of holidays a year, I think he is entitled to three or four weeks. His salary was to increase at five per cent a year so there has been a five per cent increase each year on the \$75,000. That would make it now something in the - between \$80,000 and \$85,000. If he has to pay any taxes in Canada that would be higher than the taxes on an equivalent income in Ohio where he came from then he gets that additional tax. In other words if Canadian taxes are higher than the taxes he would have had to pay in the US then he gets that also.

So by no stretch of the imagination is Mr. Ingram making \$135,000 a year.

MR. NEARY: How much would you say he is making?

MR. CROSBIE: The most you could stretch it to in my opinion might be between \$90,000 and \$100,000.

MR. NEARY: That is including the house.

MR. CROSBIE: Yes, including these benefits.

Now you are not going to get someone to try to operate a 300,000 ton a year linerboard mill for less than that. You are simply not going to do it. And in fact if you can get anyone -

MR. NEARY: What does the manager of Bowater get?

MR. CROSBIE: I do not know what he gets and I do not care what he gets. The manager of Bowaters is a part of the Bowaters organization and he goes to Corner Brook for four or five years. He probably gets \$60,000 to \$75,000 there, then he moves on to a bigger job with them. He has got an established mill running in an established way. He has not got any part of the situation that anyone has who goes to Labrador Linerboard at Stephenville and it is a miracle that you can even get someone to go to Stephenville with all those problems, who is experienced in the linerboard or paper industry.

MR. CROSBIE: So he is not being over paid. In fact you know there are a lot of people who would think that he needs to have his head read that he ever came up to try to accept this challenge.

MR. NEARY: Why did he?

MR. CROSBIE: He came up because I presume he felt that there was a challenge and that with this experience he can go on and in a few years time he will have a better future somewhere else. He will have this experience behind him. I mean he does not expect to be in Stephenville for the rest of his life naturally.

MR. NEARY: Did the minister know Mr. Ingram before he came up here?

MR. CROSBIE: He was a Vice President of the Meade Corporation.

Mr. Speaker, you know Mr. Ingram was selected as a result of a recruiting campaign by Kates, Peat and Marwick which narrowed itself down to two or three people and he was the man recommended. You know I did not go out and snatch him out of the thin air somewhere. I did not dream him up. The government did not dream him up. It was done by professional management consultants.

MR. CROSBIE:

Anyway I have full confidence in Mr. Ingram. Now there have been mistakes made and there are going to continue to be mistakes made there and particularly because of the extraordinary conditions that surround that mill. Now as for the rest of the management, it is not true as the member for LaPoile (Mr. Neary) suggested that they go out and get Turks or wherever it is from the 'ainland'. Anyone they can get in Newfoundland they get in Newfoundland first. By far the greatest majority of the personnel there are Newfoundlanders, are Newfoundland residents.

The management may or may not be here for a short period. I can certainly say to the House that one of the problems with Labrador Linerboard is a morale problem. It has to affect anyone's morale if they are working in a situation that has all the problems that Labrador Linerboard has and in addition to that have to listen to a lot of criticism, a lot of which is ignorant and a lot of which is politically directed that they have to listen to. I mean if they were here tonight or if they read the papers tomorrow and some of these fulminations and some of these adversions of the member for LaPoile (Mr. Neary) are repeated in the press which I hope they will not be, that certainly will not do anything for the morale of the men out there.

MR. NEARY: That about when you were over here. That was all right, was it? You are Mr. Crosbie that makes it all right.

MR. CROSBIE: It has nothing to do with -

MR. NEARY: Oh, oh!

MR. CROSBIE: The hon. member for Stephenville has a question?

MR. MCNEIL: Now would you classify the workers as compared today to, let us say, a year ago? Would you say there has been any improvement in the workers themselves?

MR. CROSBIE: Yes. I would say so, yes. I mean the mill, a miracle has been accomplished there. This mill, they can now turn out linerboard in a very first class fashion at the mill. If that mill

MR. CROSBIE:

gets a chance to operate without having to go down for long periods and so on there is no question that they can turn out an average 800 to 900 tons of linerboard a day. You know they are doing well at the mill.

MR. MCNEIL: Would say their morale has been boosted since this?

MR. CROSBIE: Morale has been boosted since when?

MR. MCNEIL: Since they have brought up their productivity.

MR. CROSBIE: It is difficult to know. I just know that it is hard on the morale of the management to have to deal with all these problems and then have some ignoramus like the hon. gentleman for LaPoile (Mr. Neary) get up and publicly attack and slay them in the way that he does.

MR. NEARY: Oh listen to the aristocrat.

MR. CROSBIE: That creates a morale problem.

MR. NEARY: Oh, oh!

MR. CROSBIE: They are not used to, particularly those that come from other provinces, Mr. Speaker, are not used to public ignoramus attacking and slugging them without any justification. They are not used to that in other provinces. They have more courtesy. They have more sense. They are not out to damage their province. They are not out to hurt people who are not involved in public life. It is only in this Province that you have to put up with the scandalous attacks and insinuations of people like the hon. gentleman for LaPoile (Mr. Neary).

MR. NEARY: Oh, yes. Tell us about the insurance and the equipment. Who sold all that?

MR. CROSBIE: Mr. Speaker, you have listened to these questions. This is a typical example, the insurance and this equipment.

MR. NEARY: If I want to ask a question, I have a right to get the answer.

MR. CROSBIE: You are asking a question because you want to pretend that I have got something to do with the insurance or that Crosbie

MR. PROSBY:

Insurance has got the insurance. Well they have not got the insurance. That is just a typical tactic of the hon. loud mouth for LaPoile (Mr. Neary).

MR. NEARY: Old bully boy is back again.

MR. PROSBY: Bully boy is attempting to defend the management of this company. It is a wonder that we can have any management with the likes of the member for LaPoile (Mr. Neary). It is not bad enough he is going to drive everybody out of public life that cares at all about their reputation or cares at all about what their family feels or thinks, but he is going to drive any decent management we have not and public corporations out of the Province too. It is enough, Mr. Speaker, to sicken anyone to have to listen in this House month after month to that twisted tongue slandering and making his insinuations against practically everyone in public life and out of it. I for one am getting a bit fed up with it.

MR. NEARY: Well why do you not go up on the West Fed so we can get clear of you or go up to Ottawa somewhere or go back to Switzerland. We got more work done in the last two weeks than we did in the last four months.

MR. PROSBY: Listen. Mr. Speaker, Edgar Bergen could not match - you know I do not know where the Edgar Bergen is for that hon. dummy but there has to be a battery of them, there must be dozens of them pulling the strings and flapping his lips. It could not be done by any one person alone. The hon. gentleman is getting me off my point here and I want to get back to the statesmanlike statesman.

Now the Javelin actions was mentioned by the hon. gentleman. The Javelin actions one by one are being kicked out of the courts. His friend Mr. John C. Doyle who he talks to daily is having his actions kicked out. The Exchequer Court kicked them out.

MR. NEARY: Mr. Speaker, a point of order, Sir.

MR. SPEAKER: A point of order has been raised.

MR. NEARY: The hon. gentleman just made a statement, Mr. Speaker,

MR. NEARY:

that is completely untrue.

AN HON. MEMBER: He stated an opinion.

MR. NEARY: No, it was not an opinion. It was a statement of fact the minister made, completely untrue, Sir, and should not be allowed to stand in the public record. I ask the member to withdraw that statement or put up or shut up, put up the evidence or shut up and withdraw the statement.

MR. CROSBIE: Mr. Speaker, if it is going to upset the hon. gentleman I will withdraw the statement. I do not know whether it is daily or bi-daily.

MR. NEARY: Nor yearly nor quarterly.

MR. CROSBIE: So if it upsets the hon. gentleman I will say I do not know how often it is but it is quite often. Now, Mr. Speaker -

MR. SPEAKER: The point of order has been taken care of I would imagine.

MR. CROSBIE: I hope so. The hon. gentleman sneered at the marketing organization. The marketing organization that the Labrador Linerboard has has done a good job in the conditions that it has been faced with. There is nothing wrong with them. They are doing their best in these circumstances. They are respectable and responsible businessmen.

MR. NOLAN: What happened to Heinsel?

MR. CROSBIE: Well we could not carry on with Heinsel. You know the arrangement was not satisfactory and Heinsel got terminated back in 1972 peacefully and amicably. The marketing people, you know, have been doing as good a job as anyone can do. The fact that they are American has got nothing to do with it. We did not hire them because they could sell to the United States. We hired them because they could market and you have to market the linerboard all around the world. Unfortunately for them it would have been much better for them could they have also marketed in the United States but they could not because the prices in the United States were too low but they have done a good job in all the circumstances. I do not see any reason

MR. CROSSIN:

why they should be attacked and sneered at and denigrated because Labrador Linerboard entered into a marketing contract with them. If it was not them it might have been Central National or Gottisman or MacMillan Bloedel or it could have been any of a dozen other companies. They have done well in the circumstances.

Some of the other remarks the hon. gentleman made I will pass over. Paper clippings have been a problem. That situation is being changed. They are not taking paper clippings now to the extent that they were. It would be a help - two years ago they were in a position where they could not get all the wood they needed and the market situation was good. You can use a certain amount of paper clippings in making craft linerboard. That would save you using, you would not need as much wood. You would use a certain amount of paper clippings.

They entered into a contract to sell some linerboard to CIP who in return wanted them to take some paper clippings from CIP. So that looked at from the point of view of the circumstances of that day it was a reasonable thing to try. They had not been able to use all the paper clippings they had been getting.

MR. NOLAN: Who is CIP?

MR. CROSSIN: Canadian International Paper or whatever, CIP.

Therefore this year they are changing that situation with CIP. Although paper clippings should be used in the future but they may need a certain change in equipment and so on to do that.

Now there have been a whole lot of things accomplished in the last four years but of course we are talking mostly about what some of the problems have been. The federal government is going ahead with the wharf extension at Stephenville which demonstrates some faith in the situation. They are going to lengthen the wharf there which has been another problem. You know it is not all gloom and doom.

MR. CROSBIE:

The hon. gentleman for Stephenville (Mr. McNeil) I thought was very fair in his remarks. I know that he wants to be fair when he supports the project. He suggests that the mill will close down in September. That is just not so. The mill is not going to close down. Or he said that he had heard that there was a rumor that the mill would close down in September but I can just say that that is not true, that the mill is not going to close down in September. In fact the mill is going to operate all this year.

MR. MCNEIL: There is going to be down time the Summer.

MR. CROSBIE: There is going to be down time. I think the down time is going to start something like June 25 and there is going to be three weeks or some period like that, three or four weeks of down time in which they are going to take their annual vacations and after that period is over let us hope that they will be able to operate for the rest of the year. So that there is a period of down time in July but the mill is not closing down. When I say closing down I mean closing down permanently. I cannot forecast whether or not there will be a down time period in September. The mill is going to operate certainly for the rest of this year. There is no question about that, and we hope of course for a long time beyond that.

MR. CROSBIE: So it is not going to close in September.

Equipment up at Gull Island. The equipment I think the hon. gentleman referred to was some equipment they had for a logging camp, housing for a logging camp, which was surplus for the reason that I have already explained, and which the company rented to the Gull Island project to get some revenue from it, and under conditions that they could have it back as soon as they needed it for a woods camp. That is the only equipment from Labrador Linerboard that had any connection with Gull Island, and that was being rented and they were getting income for it.

The hon. gentleman from Stephenville (Mr. McNeil), says he is available. We do try to keep him informed and certainly will continue to try to keep him informed. We appreciate the fact that he is concerned and we will try to keep him informed and get whatever assistance from him that we can.

So, Mr. Speaker, the situation is a difficult one because there are certain, just natural economic factors that make the situation difficult. To reiterate again, the essence of it is the wood situation. Whether that can be overcome or not we do not know.

If the hon. gentlemen of the Opposition are going to support the principle of the bill, which we appreciate -

MR. ROBERTS: There are more of us here than there are on that side right now.

MR. CROSBIE: There are a few out in the common rooms. - I do think that the right way to proceed, the right way to proceed and the only sensible way to deal with this large and involved project and the amount of money involved, is to have a Standing Committee and if the House meets again in the Fall, or if it does not meet in the Fall -

MR. NOLAN: Would the hon. the minister permit a question?

MR. CROSBIE: Yes.

MR. NOLAN: Is he aware that the Premier has been talking about setting up a Standing Committee for the last four years and has never done it?

MR. CROSBIE: Well, the ones that are planned here are too large. A Standing Committee I would say for this purpose should have about seven members, four from the government side perhaps and three from the Opposition. Any larger than that is just too large. So if we open again in the Fall I will certainly hope that we will come forward with that, or else early next Winter when we open.

MR. ROBERTS: - the by-election with three and-a-half and three and-a-half with respect to the compliment of the House.

MR. CROSBIE: I think there will be three fine gentlemen elected on June 30.

But I think that is the way to proceed and we should do that. At that time we can spend three or four days and have a serious look at what the situation is and have the top management in and everybody will have a better understanding. You cannot do it in a debate like this, it is just not possible.

So, Mr. Speaker, I thank the hon. gentlemen for their support. I hope that the market will improve during the year and that we can get the operation going at a much greater clip.

MR. NEARY: We are only supporting you on the principle. That is not general support all around you know.

MR. CROSBIE: I did not think so. And the money that we are providing, Mr. Speaker, is being injected into our own economy here. The payroll will certainly be in the range of \$14 million or \$15 million. A bit less maybe this year because of the reduction in the woods operation, but still very substantial. It provides a lot of other employment in the Goose Bay and Labrador

MR. CROSBIE: areas and certainly we have to continue on. We have to realize that there are problems and see if they can be overcome. I move second reading.

SOME HON. MEMBERS: Hear, hear!
On motion, a bill, "An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972." (No.69), read a second time, ordered referred to a Committee of the Whole House presently by leave.

Second reading of a bill, "An Act To Style The Department Of Provincial Affairs And Environment As The Department Of Consumer Affairs And Environment." (No. 65).

MR. SPEAKER: The hon. the House Leader.

MR. WELLS: Mr. Speaker, this is a bill that was introduced by the hon. the Premier at the time of first reading. It is an Act to change the name, it is a very short Act, to change the name of the Department of Provincial Affairs and Environment to the Department of Consumer Affairs and Environment. The object of this, Mr. Speaker, is to place an increased emphasis on Consumer Affairs and this is the first step that the government is taking in this regard.

In specifics, in terms of specifics in respect of this change, there is going to be in due source a new Trade Practices Act which will be similar to the ones passed by the Governments of Ontario, Alberta and British Columbia. The implementation of a Trade Practices Act would be staged enabling the government to gradually build up staff, resources and funding necessary to properly administer this consumer legislation. The Act will provide the Newfoundland consumer with additional protection in the area of consumer product warranties and this is also being contemplated.

There will be increased emphasis in every respect in assisting the consumer to secure compliance from his part and on his behalf with the various Acts ensuring consumer protection. There will be an increased emphasis on publicizing the activities of the department, to inform the public of what

MR. WELLS: Department of Education in introducing more consumer education courses in the school curriculum, particularly at high school. It is the intention of the department to open at least two branch offices in the Department of Consumer Affairs, outside St. John's, which will make the department services more accessible to people throughout the Province.

There will also be an advisory committee on consumer affairs to be established and the committee will include representation of government, industry and organized consumer groups, and its primary purpose will be to advise the minister of developments in consumer matters to ensure that government is continually aware of all the developments in the area of consumer affairs. So it is essentially to change the name, but more than change the name, Mr. Speaker, it is to place an increased emphasis on consumer matters so that the consumer can be given greater protection in all the areas where it is necessary, and accordingly I will move second reading, Mr. Speaker.

MR. SPEAKER: The hon. the member for Conception Bay South.

MR. NOLAN: Mr. Speaker, I am disappointed that the minister, or at least the present Minister of Provincial Affairs and Consumer Affairs did not introduce the bill.

MR. MURPHY: I will have a word on it.

MR. NOLAN: I hope he will.

MR. MURPHY: The Premier introduced the bill originally.

MR. NOLAN: I beg your pardon?

MR. MURPHY: The Premier introduced it originally.

MR. NOLAN: Yes.

MR. MURPHY: Not at three in the morning.

MR. NOLAN: Well I can only assume that the minister does not agree with it because he does not believe, at least according to him, in the Department of Consumer Affairs anyway, which he stated publicly.

MR. H. COLLINS: Let us get on with the bill now, "John".

MR. NOLAN: The Premier is not going to be the minister of the department. Anyway, let us get by that. I am too tired this hour in the morning to fool around that.

The fact is, Mr. Speaker, I was rather delighted to hear some of the remarks made by the hon. the House Leader in reference to some of the things that he department hopefully will get into. I stated here before, and I repeat again, that it would be a terrible mistake for the minister of for the government or for anyone else, who would like to consider himself a spokesman on consumer affairs, to - and this happens to so many things that we have, I am afraid - to have it bandied about with great announcements that now we have a Department of Consumer Affairs, and that everytime someone buys a tin of milk or something with a price they disagree with all they have to do is phone the minister, who may have no power to do anything about it, then we have really not done our job, in my opinion.

In certain areas there are laws we brought in where the minister or his officials will have certain powers to do something about, and in other areas they will have no such powers. Let me give you an example of some of the things that I mean. First of all, people have lost faith often times in many people in business. Sometimes this is justified and on other occasions it is not justified, of course. But the fact is there are very many people today who believe that they are being ripped off by one agency or another. If it is not the supermarket it is the drycleaner, if it is not the drycleaner it is the garage, if it is not the garage it is the people who own the dairies, and if them it is the insurance companies and so on, and so on, and so on.

Now I know of a case, for example, in St. John's where a certain gentleman who is a bit finicky, who is rather - he will not pay out a nickle unless he knows he has a nickles worth of value, and he had his car in a garage to be repaired. Now he also happened to be working at a job where he had some free time and he is the type that if you are doing a job

MR. NOLAN: for him brother, he is checking you,
believe me. So he spent his time in the garage watching the
work being done, on the vehicle in question.

AN HON. MEMBER: Oh, oh!

MR. NOLAN: No, I will try not to wake him. When he got the bill for the repairs on his car it was listed as so much for parts and then so much for labour and so much an hour for a mechanic or mechanics. Fine but when he got the bill he went back to the company concerned and he says, "What is the idea of this?" And they say, "Well here it is. So much for parts. So much for labour. Mechanics so many hours." He said, "That is fine if that was so." But he said, "It is not so." They said, "What do you mean?" He said, "I was there for a number of hours when the mechanic was not working on my car. It was an apprentice who was working on my car and you do not pay an apprentice six dollars or ten dollars an hour or whatever it is." They had to back track on that man and give him a rebate or reduction on his bill.

Now, why do I mention this at this time? How many people got time or the knowledge to do it? This is the question I ask. This is the problem that the minister is faced with. How often does this type of thing go on. Example, I do not know if you have heard the current rumors, it may be more than a rumor that when you have power failures as an example, such as Conception Bay South where they have a considerable number of power failures I might add, that when the power comes back on again it drives your meter up. Now is this so? And if it is so who is looking after the public in this regard? I only mention these two what might appear to be frivolous examples but they are not believe me. There are countless other examples that people know about or feel that they know about.

Again since you are into our free enterprise system, can the minister decide as to what is a fair profit and what is not. Example, I know for a fact that in a local store in St. John's that a coat arrives, a lady's coat, five years ago, landed in St. John's and at the store total price thirty-five dollars, sale price to the customer \$150. Now is the minister going to be able to do anything about that? I hardly think so because of the fact that under our situation if you have a loaf of bread as I said before and you can get \$100,000 for it that is it.

MR. NOLAN:

But the fact is - and one of the most serious things that I see - is that there are many people who I believe are providing a good service, providing fairly good goods and so on and yet are being raked over the coals with the sweeping generalized statements that seem to indicate that everyone who is in business is a crook, a rip-off artist and so on. This is pretty sad. It is particularly sad when I realize with even huge companies in some instances who spend massive amounts of money in advertising had done such a lousy job to defend themselves. I believe that business people often times are their own worst enemies. They are so fast peddling a product that they have failed to get across to the community what they stand for, the employment that they provide and so many other things in the case of many other companies that I can think of.

So I do not want to go getting into long detail on this tonight because we have just an explanatory note and it is really just to style the department. Well that is fine. But the fact is one, we have to tell the people the department is there. Two, we have to tell them clearly and concisely not once but over and over and over again what is there, why it is there, how it works, who to see, what to look for. These are the things we must concentrate on because otherwise I guarantee you you are going to read the paper one of those days or listen to radio or television and hear people complaining that they have been shopping at the supermarket or they have been shopping here, there or wherever and they phoned the minister and he did nothing about it. We have to let people know that in certain instances he cannot do anything about it. If you do not do that, you are wasting your time, and you are going to find yourself in serious trouble not only as a ministry but also as a government and again you will have, as is all too often the case now, a feeling that those who are in positions of power or influence or authority such as those in government are in bed with those who are in the business of ripping people off.

This is something I feel that all people in public life in this Province no matter what side of the House they are on have got

MR. NOLAN:

to do something about because I think the reputations of all the people concerned are at stake here both in the House, in the political parties that we are associated with or for that matter the people in business. So I hope that the Trade Practices Act to which the minister referred and the other items that he mentioned will come into vote quickly and that they will be subject to amendments where there are obvious deficiencies in any of the acts or the regulations that are brought in. No act is perfect nor is any regulation.

So I look forward to the so called styling of the Department of Provincial Affairs and Environment as the Department of Consumer Affairs and Environment and I hope that there will be legislation. As I mentioned earlier in this House session much of what we have is often times mechanical. Much of what we have would appear to be designed not to be helpful to people. May I also say that if we have acts and bills and so on that are designed so that the only time they can be useful to the housewife down in Grand Bank is if she can afford to get a lawyer to interpret it, then we have failed again obviously.

So I do hope that this bill and the intentions as outlined by the minister will get into action soon. I hope that some ways will be found - by the way I do support it very much because I mentioned it here in the House some time ago in connection with the department, for God's sake if it is all set up in St. John's, forget it because if you have the departments or agencies of the department in various areas of Newfoundland where people can get to them, can get proper advise and so on then I think it would be most beneficial. But if you have all the officials and all settled in St. John's, well believe we it will have little or no credibility in many areas of this Province where so many of our people are scattered in so many places of course.

That is about all that I want to say about it at this time. I certainly look forward to what is going to come, what is going to happen within the department. I do hope that they will, as the minister

MR. NOLAN:

suggested, get into schools because I think it is a real tragedy what happened with so many young people, not just young people adults as well but particularly young people who feel that if they come out of school whether it is grade XI, Trade School or University and go jumping into a new car that they believe costs \$5,000 without considering the amount of interest that is involved, if a young couple jumps into a \$40,000 mortgage at approximately ten per cent if it were to remain constant at a payment of about \$364 a month or whatever it is, they have got to realize they are not buying a \$40,000 house, they are buying \$125,000 house or more. Somehow or other these are the things that people do not know or choose to ignore.

But it is really a tragedy when I see young people particularly but anyone for that matter who out of ignorance would assume getting themselves so deeply into debt that it changes their whole attitude in their jobs, in their homes, in their family and everything else. It is a great burden that many people find themselves in. You could say it is just out of ignorance or they do not know how to handle their own affairs. There are any number of things that you could say some of which or all of which may be true.

But the fact is that I believe - the Minister of Justice mentioned the other day when we were talking about this - that I believe civics was dropped in school I think, in high school. Is that correct? If so - and I am not suggesting -

MR. MURPHY: They have substituted sex education.

MR. NOLAN: Yes. Well that could be. Now we are back to the testicles on the moose or the member to our far right. But anyway the fact is in general I support the bill. I advise the minister most strongly above anything else make sure that people insofar as it is possible to do so realize what the department is designed to do. It will be a shame if the feeling is left abroad that every time you have a person who is buying any article or commodity feels that all they have

Mr. NOLAN:

to do is phone Ank and he is going to get it all rolled back when he probably has no power in the world to do so. I think it will be most unfortunate because what happens then is people will say, "Oh what is the sense talking to him." So let us lay it out in good plain, simple language to the people when they have the various acts the minister referred to, when the department is properly set up and do it so I hope that we get, the minister gets, that the department gets proper publicity. If we will put as much effort into this as some of the bellyragging that we do from time to time particularly of each other maybe we might have something half decent come out of this session of the House. Thank you very much.

MR. SPEAKER: The hon. the Minister of Provincial Affairs.

MR. MURPHY: Obviously because I am, I think, the minister responsible for Consumer Affairs -

SOME HON. MEMBERS: Hear, hear!

MR. MURPHY: I would just like to say that up to the present we have had a Consumer Affairs Bureau within the Department of Provincial Affairs, and I think they have done a tremendous job. By changing the name - I think it is more psychological perhaps than anything else - people will know that we are interested in consumer affairs.

I would like to express my appreciation to the staff, the very small staff that have tried to do this job. We are centered within St. John's now, and it is our hope to spread to Central and Western Newfoundland and Labrador. As

As far as publicity is concerned, publicity is a very expensive commodity these days. We cannot very well object to the rates of the Evening Telegram or The Daily News, or the radio stations for what they want to charge for publicity. I would like to go on record here, Mr. Speaker, to thank The Daily News for their column which is given absolutely free to my department. Box 999, I think, is a very fine service to the people. I can only the co-operation of all members of this hon. House. Do not let everyone depend on one minister. Everyone in this House has a responsibility, despite the gospel, to their own constituents:

We have done many things so far to try to get the thing on the rails. We have only so many things that we can do because we are bound manily by federal law. We can establish prices or roll back prices. But I will just say this, Sir, we work very closely with the federal authority and by changing this name to Consumer Affairs I certainly hope that we can all do a better job to help the consumer and make the buyer aware that we are checking on what is happening in

MR. MURPHY: the marketplace.

SOME HON. MEMBERS: Hear, hear!

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

MR. WELLS: Mr. Speaker, I think we are very much indebted to the member for Conception Bay South (Mr. Nolan), for his thoughtful remarks on this subject. Because there is no question, he has given a great deal of thought to matters involving consumer affairs, and in this House, in this session has made a contribution to the debate, concerning it.

SOME HON. MEMBERS: Hear, hear!

MR. WELLS: Likewise, I would express appreciation to the minister for his remarks and intentions with respect to the department. So as I say, by the change of name and the emphasis, this is a start, Mr. Speaker, and I hope that this department will go on to make a great contribution to Newfoundland.

SOME HON. MEMBERS: Hear, hear!

On motion a bill, "An Act To Style The Department Of Provincial Affairs And Environment As The Department Of Consumers Affairs And Environment," (Bill No. (65), read a second time, ordered referred to a Committee of the Whole House presently by leave.

MR. WELLS: Order 31, Mr. Speaker.

Second reading of a bill, "An Act To Amend The Financial Administration Act, 1973." (Bill No. 91).

MR. SPEAKER: The hon. the Minister of Finance.

MR. DOODY: The purpose of this bill, Your Honour, is to try to make a rational or more reasonable bookkeeping or administrative dealing with the sinking funds. As of now they have been, each individual bond issue as it has arrived on the market has had an individual accounting and has had individual bookkeeping effort. It is our hope now, through the efforts of this bill, to make a consolidated sinking fund effort so that we can dispose of the costly necessity of having each individual

MR. DOODY: bond issue looked after administratively.
Through that consolidation we would hope to achieve some economies in cost and obviously in commission fee savings.

The second part of this small bill is relative or related to the payment of expenses in the sinking fund effort, and that is to say that the sinking fund itself will pay the expenses which are necessary for the looking after of this sinking fund. The bond holders will be charged with the cost of looking after the sinking fund and it will be charged to them. It would not be charged on the Province as such, it would be related directly to that bond issue which is going to be retired through the years.

So it is really an improvement in the financial administration of the Province insofar as the administration is concerned. It is really a bookkeeping thing and not an important one, really, in terms of the financial problems of the Province, but really one that is important in terms of the bookkeeping problems of the Province. So I submit it for second reading, Sir.

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

MR. ROBERTS: Thank you, Mr. Speaker. Coalition, I may add, is well advanced at this point and making good progress.

MR. HICKMAN: Order!

MR. NOLAN: Sleepwalking.

MR. LUNDRIGAN: I cannot say we are pleased.

MR. ROBERTS: I would rather be sleepingwalking than sleeptalking.

Mr. Speaker, the Minister of Finance, I think I heard him say that this is a housekeeping bill, and if those were not his words I understood them to be his thoughts. The bill itself, the Act which we amend is an important one, but the bill itself is very straightforward. I am not quite sure why it is being done, and I think I heard what the minister had to say, although his colleague the Minister of Justice was whispering

MR. ROBERTS: insidiously in my ear all the while trying to subvert me one way or another. But we have always had sinker funds, sinking funds, the sinkers. Though the financial community called them sinkers, and it took me a long while - I know what sinkers were, I wonder if they are like the sinkers in the song? You know, "Between the two sinkers on up to Toslow.

MR. NOLAN: Walsh's sinkers.

MR. ROBERTS: With Spur Cola, for the benefit of my friend from Conception Bay South (Mr. Nolan). It was Spur Cola in those days.

MR. MURPHY: They used to be the three cent cheese cakes.

MR. NOLAN: That is right!

MR. ROBERTS: Boy there were no three cent cheese cakes in my time. Those were the big pennies the gentleman from St. John's Centre was using. The old pennies that had Queen Victoria's head on them. They were new when the hon. gentleman used them.

But to come back to the Financial Administration Act however briefly, Mr. Speaker, we always had sinking funds. We are required to have them under the terms of most of our bond indentures, or the trust indentures covering our bond issues, and so there is nothing terribly exciting about that. I am not sure just why we want to consolidate these into a consolidated sinking fund, but I am quite prepared to go along with it, particularly if it will result in the removal of the potential abuse which has always existed in that it is possible for an administration so minded to give to the financial house of their choice the authority to buy and to sell and to deal in securities on account of the sinking fund.

And since the sinking funds, I do not have the figures in front of me, but the sinking funds of this Province would now amount to several hundred millions of dollars,

MR. ROBERTS: and since there could be generated a great deal of revenue in buying and selling of shares -

EXTRANEIOUS NOISE

MR. ROBERTS: It is hard enough at two-thirty in the morning to get worked up over an Act To Amend The Financial Administration Act, but I am trying to do that.

MR. NEARY: Hear, hear!

MR. ROBERTS: But since the Minister of Finance and the Government House Leader are exchanging confidences in loud voices, it is even harder.

The point I am making is that there has always been an area of at least potential abuse in the administration of the sinking funds because it is quite theoretically possible and may even have been done to give to ones favourite financial house the right to deal in the securities that are in the sinking fund to purchase them and to sell them back and forth and get the commission and all that. I suspect that if the truth were to be known, Mr. Speaker, at times in the past and perhaps in the recent past, this type of abuse has been carried out.

I would hope that the consolidated sinking fund which we are now going to get when this bill goes through, as it will because the government want to put it through, I hope it will remove that abuse.

Mr. Speaker, there are really only two points I want to make. First of all there is nothing mentioned in here as to who are going to be the trustees of this, or are provisions for trustees, and I would ask the minister if he would tell us who they are.

The third subsection, 37A(3) gives the Governor-in-Council, the cabinet, not the power to appoint a trustee - actually I am not sure where that power is. It is not spelled out but the power will have to be implied - but anyway it gives the Governor-in-Council the power to direct and authorize the trustee to make certain arrangements and carry out certain

MR. ROBERTS: functions. I would like to know who the trustee or trustees are going to be. Is it contemplated these will be officials of the Department of Finance, or what?

Secondly and even more importantly, what about reports? Should there not be a provision for reports to be made to the House of Assembly? It can be said that they will be in the Auditor General's Report -

MR. ROBERTS:

and I would assume there will be a separate report included in the Auditor General's report but should there not be a separate report submitted to this House in much the way that the special warrants are submitted or a list of the loans paid off under guarantee are submitted, there are a number of requirements in the Financial Administration Act making it mandatory for the Minister of Finance to table certain information here. Generally speaking the minister does in fact table that information sometimes even within the time limit specified in the legislation.

I would like to see a similar provision here, Mr. Speaker. What are the amount of our sinkers now? Would the Minister of Finance give us a figure? A couple of hundred million dollars?

MR. NOODY: Oh, oh!

MR. ROBERTS: Well, it is in the budget but I have put my budget away in the limbo that is reserved for works of fiction and other essays in futility. But, you know, I would think that there are at least several hundred million dollars. What I am particularly interested in is not the amount which the minister can give me. What I am interested in is the amount of activity that goes on because I understand from friends and acquaintances in the security field from time to time there is a lot of activity in securities being purchased for the Newfoundland sinking funds. The suspicion is quite frankly that bond houses or securities dealers whatever they are are buying on account and selling on account legitimately and of course making a legitimate commission on the way in and on the way out. The whole system is wide open to abuse. I am not sure it was abused a great deal in the past possibly because nobody ever thought of it to be quite blunt but I think it has been abused in the last two or three years based on the information which I have.

So I am interested very much in the question of reports. I am interested in the reports not just of the amount we hold and of any gains or losses because we have gained, we have over the years on

MR. ROBERTS:

sinking funds we have often bought back government bonds at less than par. Government bonds often sell at less than par particularly - I mean less than par, do not read into that, Mr. Speaker, that our bonds are being sold at discounts. What happens with any bond is that the interest rate is fixed when the bond is issued but the return will go up and down. If a bond is issued at eight per cent and the market is ten per cent, you know, the interest rate is ten per cent a year or two later, if that bond is traded it will be traded at a capital price which would produce a ten per cent return at an eight per cent interest rate if the House is still with me at this hour of the morning. We have often made quite a good profit on sinking funds over the years by buying in bonds at say, eighty-five points, eighty-five dollars out of a hundred and then putting them in the sinking fund at a hundred dollars which is their face value and then the interest accrues and so forth and so on and we do very well.

The people who buy and sell those bonds do very well too particularly if they buy them at eighty-five and sell them at ninety which is the sort of thing that I understand has from time to time happened. So I am very anxious that we get some reports. There is nothing at all in the bill. The bill seems to give the impression as does the Financial Administration Act by and large that the House of Assembly is a nuisance to be tolerated as best and to be kept as distant as possible. Of course that is why we have an Auditor General because if we did not have an Auditor General we would not even get any sort of reports on any real basis.

I cannot work out amendments to the bill. That is not practical at this stage. But I ask the minister if he will undertake to give us reports, say, once a session, of activity in the sinking funds, of what we hold, what we have bought and what we have sold and what we have gained. At the end when we have that report then we will be in a position to know whether further steps will be taken and then it could be debated on the estimates if ever the Finance

MR. ROBERTS:

Department is called upon as long as that inequitable seventy-five hour rule is in effect or the Public Accounts Committee could ask some embarrassing questions about it or it could be dealt with further.

In any event, Sir, the bill itself, I mean nobody that I could see could object to it. We are not creating anything new. We are creating a new consolidated sinking fund or whatever the words are but, you know, we are not doing anything new. We have had sinking funds as long as we have had funded debt as far as I know. I mean that is the very nature of a funded debt is a sinking fund. We are required to have them. The Confederation Building here, Mr. Speaker, in the words of one of my predecessors as Leader of the Opposition, "God bless our mortgaged home." Because the Confederation Building, part of the debt of that is now involved in a sinking fund. We buy in so much each year and put it in the sinking fund.

MR. DOODY: Oh, oh!

MR. ROBERTS: Yes but it is a leased financing under our own securities. Of course our main debt - call it what you want - the senior debt of the Province, the direct debt of the Province, in most cases is secured in part at least by sinking funds. I am quite prepared to go along with the bill but I would like the minister when he closes debate to respond to these comments particularly the request for regular and complete reports on the activities in the sinking fund field.

MR. SPEAKER: If the hon. minister speaks now he closed the debate.

The hon. Minister of Finance.

MR. DOODY: These are reasonable requests, Your Honour, and you know ones which I would be most happy to reply to. The object of this amendment to the Financial Administration Act really is in relation to the number of issues, bond issues which are now outstanding and all of which have sinking funds, are sinking fund -

MR. ROBERTS: How great is the principal? One and a half per cent of the principal here?

MR. DOODY: Yes roughly that, one and a half to two per cent. I

MR. DOODY:

think it was something like over the last year I think something like \$10 million or \$12 million in sinking fund revenue which is applied to the retirement of the roll over.

MR. ROBERTS: Oh, oh!

MR. DOODY: That is right. But as the numbers of them become more obvious and they become more numerous, it becomes more obvious that there has to be a consolidation because there are a whole series of entries and a whole series of different bookkeeping administrative problems with them. So the object of this bill is to get the whole sinking fund situation into one bookkeeping situation. But that is an obvious thing and I do not think anybody is going to quarrel with that.

The other thing is the payment of expenses. I do not think that is really addressed here except in the, there is an amendment. The sinking fund really is a separate and different part of the government financial situation. It is something that is separated, put to one side and put there for the protection of the people who buy the bonds or the mortgages and the debentures and the whatnots of the Province and to make sure that they are properly protected. We want to make sure that there is a separate entity created to make sure that the people who buy the bonds of the Province are going to be secured in that respect.

AN HON. MEMBER: Heave it out of you, boy.

MR. DOODY: Are you with me?

MR. ROBERTS: I am particularly interested in the purchasing of the whatnots.

MR. DOODY: The whatnots are heavy. We are particularly heavy on the whatnots. We had two outstanding issues in the whatnot area last year.

MR. ROBERTS: What is the interest rate on the whatnots at present?

MR. DOODY: Twelve and a half per cent in Bonavista North. I would say about eight per cent in Ferryland and maybe a little less in Exploits.

MR. ROBERTS: Those are square whatnots. It is the round whatnot part.

MR. DOODY:

Absolutely impossible to diagnose. There is no way you can put a figure on them. Anyway the point of the whole effort is that we want to be able to be in a position to put the whole sinking fund area into one accounting bit. We want to make sure that the sinking fund things are looked after absolutely in a way that the people -

MR. ROBERTS: Especially the whatnots.

MR. DOODY: Yes. The whatnots are going to be harder to administer because some of them are square and some of them are round.

MR. ROBERTS: The ones with the holes in them.

MR. DOODY: The square ones we had no problems with at all but unfortunately - and this is going to complicate the whatnots and the herewiths and the ones with the holes in them and the square ones - it is the fact that there are two amendments to this act. In this particular amendment -

MR. ROBERTS: On the bill.

MR. DOODY: On this bill, "The Act To Amend The Financial Administration Act, 1973."

MR. ROBERTS: Standard amendments.

MR. DOODY: No I do not think so. I just want to mention these to the hon. House so that they will have a chance to consider them in detail because they may consider that they are more important than their will nots and the have nots. The salaries and so on in section 4 on page 4 of the act - it goes on to talk about the expenses and so on and so on and so on. We would like to amend that to read salaries -

MR. CROSBIE: It must be done in Committee.

MR. DOODY: That is right. But I just want to explain to the gentlemen here why that is necessary.

MR. ROBERTS: Oh, oh!

MR. DOODY: We want to make the sinking funds since they are a separate entity the function of which is to provide for the orderly retirement of the Province's outstanding debentures. We want to make sure

MR. DOODY: that the efficient operation of the sinking fund will have a direct benefit to the bond holders and an indirect benefit to the Province by providing substantial operating cost savings and increased information. In so doing we want to make them an independent entity. We want to make it an entity that the sinking fund should bear the cost of maintenance in operating expenses from the revenues from the sinking fund. We want the sinking fund's in effect to carry the cost of their own maintenance.

MR. ROBERTS: Is the minister planning to amend subsection (4) as it stands in the bill now?

MR. DOODY: Yes.

MR. ROBERTS: In what way? I mean -

MR. DOODY: No, we want to say that the salaries that are involved in the management and operation of the Consolidated Sinking Fund shall be paid out of the interest earned from the investments.

MR. ROBERTS: Essentially what is said now.

MR. DOODY: Yes except that as it is said now it just designates two people.

MR. ROBERTS: What do you want to develop towards sort of

MR. DOODY: That is right. That is right. We just want to make a whole expensive sinking fund charged to the sinking fund and let the bond holders carry the expense rather than the Province.

Then again there is another amendment there in section 2 which says, "The Act replies in respect," we want to make it 1976-77 fiscal year and subsequent fiscal years.

AN HON. MEMBER: Carried.

MR. DOODY: So having carried this with my usual and overbearing and eloquence I will bail out of the Committee.

MR. ROBERTS: The view reports from failing hands.

MR. DOODY: I know. I know. I will indeed. Thank you.

On motion a bill, "An Act To Amend The Financial Administration Act, 1973," read a second time, ordered referred to a Committee of the Whole House presently by leave.

MR. SPEAKER: Order 15.

Motion second reading of a bill, "An Act Further To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Commodore Mining Company Limited (Agreement) Act, 1968, And To Make Certain Statutory Provisions Relating To That Agreement."

MR. NOLAN: No, we cannot do that, Lew Murphy is gone home.

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

MR. CROSBIE: Mr. Speaker, it is my great pleasure to move this which might be called the Lew Murphy amendment act.

AN HON. MEMBER: Solidarity is it?

MR. CROSBIE: Solidarity forever. This is an amendment to the Commodore Mining Company Limited (Agreement) Act and it is to give them the right to explore six areas in Labrador which have fallen in from BRINEX and BRINCO, surrendered them and - well the descriptions are attached to the back of it there. It is in the Labrador area generally, Central Labrador.

Now the rationale behind this is this, that in the Commodore Act originally they had to be given a right to go in and explore on the Argentina Naval Base, but the American authorities and the Canadian Government have proved to be somewhat obdurate and there has been no success in negotiations that will permit Lew and his crew to go into Argentina. So to compensate Lew and his crew for being unable to get into the Argentina Base we have offered them the six areas up in Labrador -

MR. MURPHY: I cannot understand you give it to the Leader of the Opposition.

MR. CROSBIE: - which they are quite please with and they are accepting these in replacement for the rights that they had to go into Argentina which has turned out to be impossible to get any agreement with the American authorities on.

So this is an amendment to the Act to give them those rights. And they are a local Newfoundland company and we hope that they will find something.

MR. MURPHY: We hope so. Carried unanimously without a comment.

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

MR. ROBERTS: Mr. Speaker, I have no objection to the bill, no objection to the principle of it and no objection to what I know of the details of it. I would some indication of exactly where it is where it is we are giving this company and we all know Commodore Mining and they are a fine company. We all know Mr. Lew Murphy and he is a fine gentleman and I hope a very much better mining promoter than he is a politician but we are giving them one square mile, a second square mile, three square miles, four square miles, another two is six, we are giving them between six and seven square miles on a concession basis. Now I know there are a 110,000 square miles, 112,000 I think it is in the Labrador and you know that is not a very large part. It all depends where it is. Because as we were all told at one stage, every Newfoundlander should have an acre of land. A certain well known man in and out of public life said every Newfoundlander should have an acre of land and I immediately wrote to him and said, "I want my acre, it is the acre that CJOY is on," and that was the end of that you see. It depends where these six or seven acres are.

I do not need to say anything more on it. It is a swap. We are giving away some land, or the right to explore some land

MR. ROBERTS: and if it produces some mineral development, well well and good. And Mr. Murphy is a very enterprising man. He has persisted pursuing his dreams in the mineral development field and one can only admire him for that and wish him well.

What we are doing is not unlike what was done in colonial times when - let me see if I can remember correctly, the French Shore question was finally extinguished in 1904 when the King, at that stage Edward VII went over to France and met with the President Painlevé if memory has not failed me, in the return for the extinction of the French rights, whatever they were and such as they were, to fish along large parts of our coast, all the trouble that grew out of that, the French were granted certain rights in the Cameroons, which are up, if I remember my grade six geograph correctly, in the Bit of Benin in Western Africa.

Well that is essentially what we are doing here. As the minister has said we are giving Lew and his crew some land in Labrador, well I hope something comes of it. I would like some indication of where the land is. All that we are told is that it is somewhere in Central Labrador. That again covers a large portion of territory and the descriptions that are attached are obviously sufficient for any surveyor to locate this land, given the information in them, but they are not really of very much use to the House of Assembly. So I will support the bill without any hesitation at all but could the minister when he speaks to close the debate tell us a little more about just where the land is that we are swapping and is there any indication of any mineralization there and what might we expect from it?

MR. SPEAKER: The hon. member for Conception Bay South.

MR. NOLAN: Mr. Speaker, I would just like to ask a couple

MR. NOLAN: of questions about this one is we are really not told what Mr. Murphy and Company left and what they are going to get in return other than just in terms of a mile or two or seven miles or whatever it is of land. It seems to me I recall a phone conversation some years ago when we were in government from someone whose name I will not mention here in connection with this company at least and there was a great demand on me at the time and I would have no doubt others in the Cabinet to move forthwith onto the Council General of the United States or something because of a fact that this company I think were not permitted to go and to conduct certain mineral finds and there was some threat that they might go in by sea and so on, I do not know if anyone associated with me at that time was in receipt of any such information but I had visions for a while there -

MR. ROBERTS: Of a man being on the loose for a while.

MR. NOLAN: If any of you have ever seen the James Bond Movies of men going in with their wet suits and the things that they hold onto with the little propeller. So what came of it all I do not know.

MR. DOODY: They did go ashore.

MR. NOLAN: They did go ashore.

MR. DOODY: Yes, they were arrested by the Police.

MR. NOLAN: Yes I see.

MR. DOODY: It was all very dramatic.

MR. NOLAN: Yes. Right. Well although the minister says that he, I do not know if he is skimming over it, there was a suggestion one time that our friends were at Argentina utilizing a portion of the base for certain strategic weapons which may or may not be a fact, but the thing is -

MR. DOODY: There are none there now.

MR. NOLAN: None there now.

MR. DOODY: No.

MR. NOLAN: But there were were there?

MR. DOODY: Yes.

MR. NOLAN: Yes. Right. But anyway the situation is, I mean if they did have

AN HON. MEMBER:

MR. NOLAN: If they had any kind of a permit to explore in or around the Argentia area. I mean what were they exploring for at the time, what evidence was there available from geological findings and so on? I mean were they looking for gold up there and they are going to exchange for Labradorite in Labrador.

MR. NEARY: There is plenty of that in the slot machines.

MP. NOLAN:

That would have been a greater fine. So I repeat to some extent what the Leader of the Opposition just stated, one, where is the land. I am not sure that the minister has told us all that he could or should perhaps about the Argentina situation. Maybe for security reasons he may not be in a position to do so. I do not know. But we would certainly like to hear from him, not at great length but briefly on this matter.

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

The hon. Minister of Mines and Energy.

MR. CROSBIE: Mr. Speaker, I feel like withdrawing this bill. I have had enough of this. This area is in Central Labrador and it is the Adelaide Island-Moran Lake area. Now to get a more exact description I would have to ask and I can find out from the hon. gentleman where it is near some settlement. But this is in an area that has been surrendered by Brinco or Brinex. So presumably they do not feel it is very prospective. I do not know how much work they have done there.

Now, as far as the Argentina situation is concerned in their original agreement they were given the right by the Newfoundland Government which did not have the right to do it, to go in and explore in areas that has been leased to the United States of America. There has been long correspondence through the Department of External Affairs to attempt to get the American authorities to permit them to go on in and do mineral exploration there. But we just have not made any progress. The thing goes on and on in a torturous fashion. It gets involved with questions of, you know, who has the rights once the lease expires, the Government of Canada, the Government of Newfoundland. For all those reasons there has just never been any conclusion.

So to compensate them for not having been able to go in those areas, we have agreed to give them these areas in Labrador which they are keen to go have a look at. Now as for a more accurate description of where they are, that would be understandable I would

MR. CROSBIE:

have to get that from the hon. gentleman. I do not know myself more than is in the schedule here which my department tells me is reasonable to give here.

SOME HON. MEMBERS: Oh, oh!

On motion a bill, "An Act Further To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Commodore Mining Company Limited (Agreement) Act, 1968, 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. (Bill No. 74)

Motion second reading of a bill, "An Act To Amend The Tobacco Tax Act." (Bill No. 79)

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: The primary purpose of this act, Your Honour, is to raise the fines that are applicable to people who bring tobacco or tobacco products, cigarettes, what have you, to the Province from other provinces of Canada. Obviously the increase in the fines are substantial. We have had and it would appear that we are going to continue to have for some time unless this has some bearing on cutting it back, we are having some problems with cigarettes and other tobacco products being imported from other provinces and brought in by tractor trailer or by motor cars or what have you because of the fact that as we have said in the budget and as we have said in other speeches and discussions, Sir, the tobacco tax in the Province of Newfoundland is substantially higher than it is in other provinces. In many cases when trucks or cars or what have you are coming into the Province it sometimes pays them to throw a few cases of cigarettes into the back of the car or the back of the truck and peddle them around the Province.

So we would hope that the increase in the fines would help to discourage that. We are also looking at a more substantial or I would think a more effective way of combating this problem. That is the possibility of applying the responsibility for collecting tobacco

MR. DOODY:

tax at the retailer level. That is something that is in a formative stage and it is not close to the legislative area.

The other part of this Act, Sir, is to give the minister the power as he has in the SSA tax and in the gasoline tax and in most of the other tax acts, the power to forgive arrears or interest on taxes levied under the section. Sometimes there are people who for reasons, financial reasons, social reasons, ignorance reasons in the strict sense of the word, the dictionary sense of the word who find themselves in arrears of taxes and also find themselves with a huge interest rate applied to them. In order to gain a collection of the tax in the interest of humanity and decency and so on, one has the opportunity to say, all right we will forgive you the interest rate on the tax if you will make an arrangement to pay the principal and pay the back taxes. This has been done in all the other taxes of the Province. I would like to apply the same thing here on the tobacco tax. So these are the two points in this particular tax, Sir, so I ask the House to endorse second reading of this particular act.

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

MR. ROBERTS: Mr. Speaker, it all seems very straightforward and it all seems very sensible and at five minutes to three in the morning as a non-smoker I do not have it in me to say anything more than that about the Tobacco Tax Act. You know we have a tax on tobacco and it is high. It does not cut the consumption of cigarettes any so we might as well try to be as effective as we can in collecting it. Really what more needs to be said.

AN HON. MEMBER: Have another draw.

MR. ROBERTS: Yes well those who smoke can have another draw. Those of us who do not smoke who have fought our own personal battle with the demon cigarette and conquered it are now free to go on and fight our battle with other demons and conquer them as we shall in Exploits and in Bonavista North and in Ferryland. Mr. Speaker, as I have said the minister has explained it at length eloquently,

MR. ROBERTS:

persuasively, sincerely and above all ardently and in view of this impressive performance by the minister, the very least, Sir, that we on this side of the House can do is in paying this tribute to the minister by agreeing to support this massive reform at second reading. At Committee stage we may differ.

On motion a bill, "An Act To Amend The Tobacco Tax Act," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 79)

Motion second reading of a bill, "An Act To Amend The City Of St. John's Act."

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

MR. PECKFORD: Mr. Speaker, as it customary every year there are always a number of amendments that the City of St. John's wishes to bring forward to amend their Act for a whole array of reasons. This year is no exception to that general practice. First clause will enable people doing historical or academic research to view minutes of special or privileged meetings held prior to 1925.

AN HON. MEMBER: Oh, oh!

MR. PECKFORD: Yes. Okay. Perhaps I will just point out clause 5 where for public tender where it is now \$250 it is going to \$1,000 to give them more flexibility in doing minor repairs and work around the city. Another one on the business of borrowing money, \$1.5 million interim financing

MR. PECKFORD: without the approval of the Lieutenant-Governor in Council, the city feels that unrestricted borrowing up to this amount is necessary in order to periodic payment of municipal taxes. It is a departure from what usually has.

The city under the amendments is giving a little more leeway for them as it relates to buildings around town, some buildings will not be able to be erected if they do not conform with the general character of the buildings already existing in the area. I think these are the major parts of it.

Insurance plans for members of Council which is somewhat similar to the Local Government Act that we talked about earlier. And a time period is going to be specified by Council as it relates to effecting repairs to residential and commercial properties which was not there before. Perhaps these are the highlights of the amendments and of the Bill and so as the saying goes, a few brief comments, I am trying to highlight the major amendment. I move second reading.

MR. SPEAKER (DR. COLLINS): The hon. Leader of the Opposition.

MR. ROBERTS: The principle really of this Bill it seems to me is quite straightforward. We have in the City of St. John's an elected City Council that administers the affairs of the City of St. John's and without getting into any controversy at all I think on the whole administers them very well. One may differ with policies. One may differ with approaches but I think it is fair to say that this city of ours here in St. John's is run as well as any city of comparable size anywhere in Canada or anywhere in North America.

The constitution provides that cities and councils exist by virtue of legislation passed by this House and we follow the same pattern in this Province as in other Provinces and that is by and large to restrict councils quite a deal by virtue of

MR. ROBERTS: the legislation which we have enacted, the legislation which exists in the name of the City of St. John's Act, the City of Corner Brook Act. It is really very specific, much too specific, much more so than in the case of the community councils or the bodies organized under the Local Government Act.

I do not know why that is so. I know the historical reasons. We have all read Mayfarer's columns time and time again where he tells the story of was it Mr. Gosling the Mayor of St. John's who spent a whole lifetime drafting a new city charter and it was close to perfection and it got in the hands of the government of the day, whoever they were, and they gutted it. You know just took a - to use the metaphore - took a knife and ripped her up the middle and took all the insides out and what went through the House you know broke Mayor Gosling's heart and as a result we now have the Gosling Library as a memorial.

But in any event, I do not know why we restrict the city so much by the laws we have passed. It is nothing to do with this government. I am not even sure it is anything to do with the previous administration under the leadership of the gentleman from Twillingate (Mr. Smallwood). I suspect that the City of St. John's Act has always been an overly long and an overly cumbersome act. Perhaps the time should come when we could design a new cleanly drawn act that specified the principles that we as a Legislature felt should apply in governing the city and left the rest of it up to the city.

I do not see any particular reason why we should have to enact legislation such as this. I realize we do and I am quite prepared to do it but I do not see any reason why as a matter of principle something as small as allowing the City Council to open up their minutes prior to 1925 should have to be dealt with by the House of Assembly. You know I cannot think - My Heavens the

MR. ROBERTS: Papers of Canada, the Cabinet papers are available after thirty years. We now have the privilege of reading MacKenzie King's diaries, and MacKenzie King died in 1948, or died in 1940 I guess, but was Prime Minister until 1948 and all but the last year or two of his diaries and the Cabinet papers are now available to anybody who wants to go read them. Yet here we are passing legislation to authorize anybody really, a rate payer or somebody else to go and obtain the Minutes of Council held prior to 1925. Well it is just shere nonsense.

But having said all that, Sir, the fact remains that these are by and large minor housekeeping amendments. The Council are certainly responsible in both senses of the word. They are responsible in that they answer to their electorate. They are responsible in the sense that they discharge their duties responsibly. If they feel they need these powers I am quite prepared to go along with it. There is certainly nothing in here that in any way involved what I would consider to be the issues of principle which we should apply in dealing with the City Council in St. John's or in Corner Brook. These are the very minor housekeeping things. I mean the most important thing is allowing the Council to increase their interim financing, or to have a new interim financing power of \$1.5 million. Well it is a lot of money but not on the scale with which our Council deals. Their budget is subject to controls from the minister and his officials. So if they need interim financing authority let us give it to them. They have been exercising it in effect under one form or another for a long time now. Obviously some lawyer has given the opinion that it is illegal and so we have to amend it.

We will support the Act. How could we in conscience do anything less? But we do so with the suggestion and perhaps even the plea that we should put aside the City of St. John's

MR. ROBERTS: Act and the City of Corner Brook Act and bring in a City Act. We have a Town Council Act and a Local Government Act, let us have a City Act of twenty or thirty sections that says here are the principles which will govern a city, a city council, here are the broad operating charters and let us leave the rest to the council. If they do anything we do not like as a House we can always act. We always have the power. There is a phrase that municipal government people find offensive but it is a perfectly good phrase and it is not meant to be offensive, municipalities are the creatures in law of this Assembly. If the creatures in law do anything we do not particularly like we can uncreate them or decreate them or denature them, or as a lady in Fogo once said, she lost her natures and we can make sure that councils lose their natures if they act -

MR. WELLS: That is what happened to the moose this afternoon.

MR. ROBERTS: I was not aware of what happened to the moose this afternoon, Mr. Speaker. I managed obviously to miss that particular tidbit. But when I was in Health a doctor once told me, a doctor who practiced on Fogo Island of a woman who came in and lost her natures and that could not have been what happened to the moose because what the lady lost and what the moose lost were surely very different in kind. Perhaps not in effect but in kind.

In any event, Sir, the City of St. John's is a long way from natures and from moose. It is very seldom we get a moose in St. John's -

AN HON. MEMBER: There was one on Elizabeth Avenue not long ago.

MR. ROBERTS: Was there one on Elizabeth Avenue?

AN HON. MEMBER: Yes.

MR. WELLS: I had one in my back garden.

MR. ROBERTS: The hon. gentleman had one in his back garden. I have had some weird things in my back garden, Mr. Speaker, but never to my knowledge a moose. A considerable amount of moose head, was it moose head -

MR. RIDEOUT: That is when I would be tempted to defy the wildlife regulations.

MR. ROBERTS: Once upon a time, Sir, some Bison brew. But that was a different product altogether.

MR. DOODY: If a robin struggled into mine it would starve to death.

MR. ROBERTS: Aw the hon. gentleman, little robin red breast came in. However, Sir, it is getting close up to the silly season you know, it is ten after three and we are all getting to the point where it is close to the silly season. I am glad this is near the end of the legislation the minister provides because it really does not do much justice to the system. I know we have to do it. I mean we are all equally guilty for the fact that we are here at ten after three in the morning with an hour's work ahead of us yet. But I suppose we should try to contain ourselves and all of us on both sides on the silly season.

The amendments, Sir, do not offend any principle that I as a member of this House feel we as members of this House should be concerned with and if the City Council feel they need these powers I am certainly prepared to accommodate them, Sir, and I shall vote with a might and with a heart and a half in support of the minister's request for second reading of this magnificent step forward, this great amendment to the City Charter of the Capital City discovered as it was on Discovery Day, Sir, which is a fortnight away in 1497 and this being 1976, a number of years have passed. So let us have at it, Sir, and let us give this bill the second reading it so richly deserves.

On motion a bill, "An Act 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.

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

MR. SPEAKER (DR. COLLINS): The hon. Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, just a very minor housekeeping amendment. Under the Assessment Act as it now reads, after the assessment is done, the assessment role is done up it is possible to add new properties to the assessment role, but if the assessor misses some existing property or premise or building he is not allowed or under the legislation now they are not allowed to include it on the assessment role until the five years are up when the new assessment is done. This will provide that any properties existing at the time of the assessment that were inadvertently left out can now be added to the assessment role without having to wait the full term for the new assessment, so I move second reading.

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

MR. ROBERTS: Mr. Speaker, all we are doing obviously is clearing up some sort of oversight that occurred when the assessment act was passed by us earlier in this session. You know, what should we do except carry it. I say let us do so.

May I also welcome back the gentleman for St. John's Center (Mr. Murphy), Sir, to this side of the House, his natural home here on this side of the House.

MR. MURPHY: I wish I were back again.

MR. ROBERTS: You will be.

On motion a bill, "An Act To Amend The Assessment Act (No. 2)," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 81)

Motion second reading of a bill, "An Act To Amend The Co-operative Societies Act." (Bill No. 83)

MR. SPEAKER: The hon. House Leader.

MR. WELLS: Mr. Speaker, I move second reading of the Amendment to the Co-operative Societies Act.

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

MR. ROBERTS: Mr. Speaker, swayed by the minister's eloquence, has the bill been - the bill obviously has been distributed at some point has it?

AN HON. MEMBER: Yes.

MR. ROBERTS: Has anybody read it?

AN HON. MEMBER: Yes.

AN HON. MEMBER: We support it, yes.

MR. ROBERTS: Well I am swayed by the minister's eloquence and by his assurance that he was very straightforward and by what my colleagues tell me about it, we are prepared to accept this bill at this stage.

On motion a bill, "An Act To Amend The Co-operative Societies Act," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 83)

MR. SPEAKER: Motion 2. Does motion 2 standing in the name of the hon. Minister of Justice carry? Carried.

MR. WELLS: Mr. Speaker, before leaving the Chair, the motion standing in my name which was actually proposed to be introduced by the member for Bay of Islands (Mr. Woodrow), he had a motion on the Order Paper and consequently I put it in my name, that the House recite the Lord's Prayer at the commencement of each sitting. Members have not expressed to me their views on it. Has anybody any views on this?

MR. ROBERTS: Inaudible.

MR. WELLS: Oh, very well.

On motion that the House resolve itself into Committee of the Whole, Mr. Speaker left the Chair.

MR. CHAIRMAN: Order, please!

A bill, "An Act Respecting The Acquisition Of Rights To Minerals In The Province." (Bill No. 50)

On motion clause 1 through 9 carried.

MR. ROBERTS: Mr. Chairman, as a procedural suggestion, several of the bills I think are fairly lengthy and I would have no objection if we were to call the title and the preamble, you know, the opening clauses and then perhaps if Your Honour would permit and if it is agreeable, call the clauses in groups of five or groups of ten. I think some of the bills are fairly lengthy and have a lot of clauses. It will save a lot of needless time.

MR. WELLS: Clause 10, where the word 'materials' appears, it is a misprint. It should be 'minerals'.

MR. ROBERTS: I want to ask about that, taking of that, proclaim in whole or in part. I would like to see it proclaimed as a totality.

MR. CROSBIE: Do we have that? Taken out of the third line.

MR. WELLS: Yes. 'Materials' should read 'minerals'.

MR. CROSBIE: Second word in the third line.

On motion amendment carried.

On motion clause 10 as amended carried.

On motion clause 11 through to clause 41 carried.

MR. ROBERTS: Mr. Chairman, before we go on. I did not have the

MR. ROBERTS:

bill in front of me in the mass of paper I have. Section 41, that is the one that I raised earlier. Will the government amend that section. The amendment will be just simply to drop the words 'or any part or provision of this act' and just leave it that the act was proclaimed as a whole or in part. I mean if so let us do it, if not, let us not. In other words the act would have to be proclaimed as a totality or not at all.

MR. CROSBIE: Section 41 would read 'This act comes into force.'

AN HON. MEMBER: Right.

On motion amendment carried.

On motion clause 41 as amended carried.

Motion, that the Committee report having passed Bill No. 50 with amendment, carried.

A bill, "An Act Respecting The Acquisition Of Rights to Quarry Materials Within The Province." (Bill No. 51)

On motion clause 1 through to clause 10 carried.

Motion, the Committee report having passed Bill No. 51 without amendment, carried.

A bill, "An Act To Amend The Mining And Mineral Rights Tax Act." (Bill No. 52)

On motion clause 1 through to clause 4 carried.

On motion, that the Committee report having passed Bill No. 52 without amendment, carried.

A bill, "An Act To Amend The Public Utilities Act," (Bill No. 63)

MP. WELLS: Clause 1. To be added to subsection 5, "A public utility that intends to demand from its customers a contribution towards the cost of improvements or additions to its property shall not demand such a contribution without the prior approval of the board.

On motion amendment carried.

On motion clause 1 as amended carried.

On motion clause 2 through to 9 carried.

On motion that the Committee report having passed Bill No. 63 with amendment, carried.

A bill, "An Act To Style The Department Of Provincial Affairs And Environment As The Department Of Consumer Affairs And Environment." (Bill No. 65)

On motion clause 1 and 2 carried.

MP. WELLS: An amendment to clause 3, Mr. Chairman. Sections 11 and 12 of the said act to be repealed and the following substituted, 11 (1), there shall continue to be a Registrar General of Newfoundland who shall register (a) all instruments of summons, proclamations, commissions, letters-patent, writs and other instruments and documents issued under the Great Seal; and

(b) all bonds, warrants and other instruments requiring registration.

(2) The minister shall perform the duties of the Registrar General of Newfoundland.

(3) The Minister may appoint one or more Deputy Registrars General of Newfoundland from among the officials of his department and delegate thereto such duties and functions as he deems appropriate.

12. The Registrar General or the Deputy Registrar may

MR. WELLS:

sign and certify the registration of all instruments and documents required to be registered and all such copies of the same or of such records in the custody of the Registrar General of Newfoundland as are required to be certified or authenticated as being copies of such instruments, documents or records."

On motion amendment carried.

On motion clause 3 as amended carried.

On motion clause 4 formerly clause 3 carried.

On motion that the Committee report having passed Bill No. 65 with amendment, carried.

A bill, "An Act Further To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In the Schedule To The Commodore Mining Company Limited (Agreement) Act, 1968, And to Make Certain Statutory Provisions Relating To That Agreement." (Bill No. 74).

On motion clause 1 through to clause 6 carried.

On motion that the Committee report having passed Bill No. 74 without amendment carried.

A bill, "An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972." (Bill No. 69)

On motion clause 1 carried.

On motion that the Committee report having passed Bill No. 69 without amendment, carried.

A bill, "An Act To Amend The Local School Tax Act." (Bill No. 71)

MR. WELLS: Clause 1, an amendment. Paragraphs (a) and (b) of section 29, The Local School Tax Act repealed and the following substituted:

(a) All persons who reside or carry on business in the tax area other (i) persons under eighteen years of age, and (ii) persons in full-time attendance at any educational institution.

(b) All persons not residing or carrying on business in the tax area, who own real property within the tax area in the value of not less than \$1,000. This was in the previous act or the parent act, \$100.

On motion amendment carried.

On motion Clause 1 as amended carried.

On motion Clause 2 through to 5 carried.

On motion that the Committee report having passed Bill No. 71 with amendment carried.

A bill, "An Act To Amend The Local Government Act, 1972."
(Bill No. 78)

On motion clause 1 through to 14 carried.

On motion that the Committee report having passed Bill No. 78 without amendment, carried.

A bill, "An Act To Amend The Tobacco Tax Act." (Bill No. 79)

On motion clause 1 and 2 carried.

On motion that the Committee report having passed Bill No. 79 without amendment carried.

A bill, "An Act To Amend The City Of St. John's Act."
(Bill No. 84)

On motion clause 1 through to clause 12 carried.

On motion that the Committee report having passed Bill No. 84 without amendment, carried.

A bill, "An Act To Amend The Assessment Act (No 2)." (Bill No. 81)

On motion clause 1 carried.

On motion that the Committee report having passed Bill No. 81 without amendment, carried.

A bill, "An Act To Amend The Co-operative Societies Act."
(Bill No. 83)

On motion clause 1 through to clause 15 carried.

On motion that the Committee report having passed Bill No. 83 without amendment, carried.

A bill, "An Act To Repeal And Replace The District Courts Act." (Bill No. 80)

On motion clause 1 through to clause 64 carried

On motion that the Committee report having passed Bill No. 80 without amendment, carried.

MR. WELLS: Order 28, Bill No. 85, Mr. Chairman.
I move an amendment to the long title to be an Act respecting the High Sheriff of Newfoundland and the Office of High Sheriff.

On motion, amendment carried.
On motion, clause (1), as amended carried.
On motion, clauses (2) to (9), carried.
On motion, clauses (10) to (14), carried.
On motion, clauses (15) to (18), carried.
On motion, clauses (19) to (23), carried.

Motion, that the Committee report having passed Bill No. 85 with amendment, carried.

MR. WELLS: Order 30, Bill No. 88, Mr. Chairman.
On motion, clause (1), carried.
On motion, clauses (2) to (6), carried.
Motion, that the Committee report having passed Bill No. 88 without amendment, carried.

MR. WELLS: Order 31, Bill No. 91, Mr. Chairman.

MR. CHAIRMAN: Shall clause (1), carry?

MR. WELLS: There are two amendments to clause (1), in subsection (4), Mr. Chairman, the expenses incurred in the operation of the consolidated sinking fund shall be paid out of the interest earned from the investments held by the fund subject to the approval of the trustee as to the amount thereof. Amendment 2, this Act applies in respect to the 1976-1977 fiscal year and subsequent fiscal years.

On motion, amendment carried.
On motion, clause (1), as amended carried.
Motion, that the Committee report having

passed Bill No. 91 with amendment, carried.

MR. WELLS: Order 33, Bill No. 90, Mr. Chairman.

On motion clauses (1) and (2), carried.

MR. CHAIRMAN: Shall clause (3), carry?

MR. WELLS: In clause (3), the word 'unless' to be used in place of 'if'. "Unless the court before whom he is charged".

On motion, amendment carried.

On motion, clause (3) as amended, carried.

On motion, clauses (4) to (6), carried.

On motion, clauses (7) to (12), carried.

Motion, that the Committee report having passed Bill No. 90 with 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 direct me to report Bill Nos. 50, 63, 65, 71, 85, 91 and 90 with amendments and ask leave to sit again.

On motion report received and adopted.

On motion amendments read a first and second time, bills ordered read a third time now by leave.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and direct me to report Bill Nos. 51, 52, 74, 69, 78, 79, 84, 81, 83, 80 and 88 without amendment and ask leave to sit again.

On motion report received and adopted, bills ordered read a third time now, 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 Respecting The Acquisition Of Rights To Minerals In The Province." (Bill No. 50).

A bill, "An Act Respecting The Acquisition Of Rights To Quarry Materials Within The Province." (Bill No. 51).

A bill, "An Act To Amend The Mining And Mineral Rights Tax Act." (Bill No. 52).

A bill, "An Act To Amend The Public Utilities Act." (Bill No. 63).

A bill, "An Act To Style The Department Of Provincial Affairs And Environment As The Department Of Consumer Affairs And Environment." (Bill No. 65).

A bill, "An Act Further To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Commodore Mining Company Limited (Agreement) Act, 1968, And To Make Certain Statutory Provisions Relating To That Agreement." (No. 74).

A bill, "An Act To Amend The Stephenville Linerboard Mill (Agreement) Act, 1972." (Bill No. 69).

A bill, "An Act To Amend The Local School Tax Act." (Bill No. 71).

A bill, "An Act To Amend The Local Government Act, 1972." (Bill No. 78).

A bill, "An Act To Amend The Tobacco Tax Act." (Bill No. 79).

A bill, "An Act To Amend The City Of St. John's Act." (Bill No. 84).

A bill, "An Act To Amend The Assessment Act (No. 2)." (Bill No. 81).

A bill, "An Act To Amend The Co-Operative Societies Act." (Bill No. 83).

A bill, "An Act To Repeal And Replace The District Courts Act." (Bill No. 80).

MR. WELLS: Motion No. 28.

MR. ROBERTS: Mr. Speaker, just to break up the monotony and preserve the rite anual that a six month hoist apply to this bill, and the word 'now' be deleted and the words be added, "that the bill be read this day six months hence". I do not propose to say any more on debate except I recommend the amendment to hon. gentlemen.

MR. FLIGHT: I second that.

MR. SPEAKER: It has been moved and seconded that all the words after 'that' be dropped and that the words 'be read six months hence be substituted.

MR. SPEAKER: Is the House ready for the question?
Those in favour 'aye', contrary 'nay'. In my opinion the 'nays'
have it.

MR. ROBERTS: Sobelt.

MR. SPEAKER: The amendment is defeated.

MR. DOODY: A nice gesture.

MR. SPEAKER: Is the House ready for the question on
the original motion?

Motion, that bill no. 85 be now read a
third time, carried.

On motion a bill, "An Act Respecting The
High Sheriff Of Newfoundland And The Office Of High Sheriff." read
a third time, ordered passed and title be as on the Order Paper.

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

A bill, "An Act To Amend The Wild Life
Act." (Bill No. 88).

A bill, "An Act To Amend The Financial
Administration Act, 1973." (Bill No. 91).

A bill, "An Act To Amend The Highway Traffic
Act." (Bill No. 90).

MR. WELLS: Mr. Speaker, I move that this House do now
adjourn until tomorrow Friday at twelve o'clock noon.

SOME HON. MEMBERS: Hear, hear!

On motion the House at its rising adjourned
until tomorrow Friday, June 11, 1976, at 12:00 noon.

I N D E X

ANSWERS TO QUESTIONS

TABLED

JUNE 10, 1976

482. A list of the schools in which by agreement between the religious denominations, students of all religious denominations, attend; the numbers of such students actually attending such schools.

Integrated schools, which, by agreement, among Religious Denominations, Roman Catholic students attend.

<u>School Boards & Schools</u>	<u>R.C. Students Attending</u>
<u>Avalon North</u>	
Bay de Verde Elementary	136
Western Bay	19
Whitbourne	71
Hearts Delight	27
Hearts Content	38
<u>Green Bay</u>	
Grant Collegiate	68
Little Bay	16
<u>Bonavista-Trinity-Placentia</u>	
Lethbridge	67
Musgravetown	43
Clareville	50
<u>Bay of Islands-St. George's</u>	
St. George's	10
Stephenville	65
<u>Straits of Belle Isle</u>	
Plum Point	101
Flower's Cove	47
<u>Vinland</u>	
St. Anthony	62
<u>Terra Nova</u>	
Fogo High	115
Fogo Elementary	32
Dover High	4
Dover Elementary	17
Gambo (Smallwood Collegiate)	74
<u>Labrador East</u>	
Happy Valley	44
Total	1106

<u>School Board & School</u>	<u>Students of Integrated Denominations Attending</u>
Gander Bonavista Roman Catholic	
Fogo Island Junior High	90
Fogo Elementary	69
St. Mark's Central High	28
King's Cove Elementary	36
Burin Peninsula Roman Catholic	
St. Lawrence Regional High	33
St. Lawrence Elementary	49
St. Lawrence Primary	46
St. Joseph's Central High	24
Allan's Island, Lamaline	
St. Joseph's Elementary	3
Allan's Island, Lamaline	
Humber St. Barbe Roman Catholic	
Goose Cove Elementary	2
Conception Bay North Roman Catholic	
Bay de Verde Central High	54
Labrador Roman Catholic	
Labrador City Collegiate	238
Bay St. George Roman Catholic	
St. Jude's Central High	36
Cassidy Elementary	57
St. Michael's Elementary	60
Assumption Central High	33
Belanger Memorial High	38
	<u>896</u>

Note: There are many other instances of R.C. students attending Integrated Schools, Integrated students attending R.C. Schools, Pentecostal students attend Integrated and R.C. Schools etc., but since they are not covered by formal agreement among the religious involved, they don't show up in the above list.

559. The Government's estimate of what it will cost the government to operate Memorial University for the next five years.

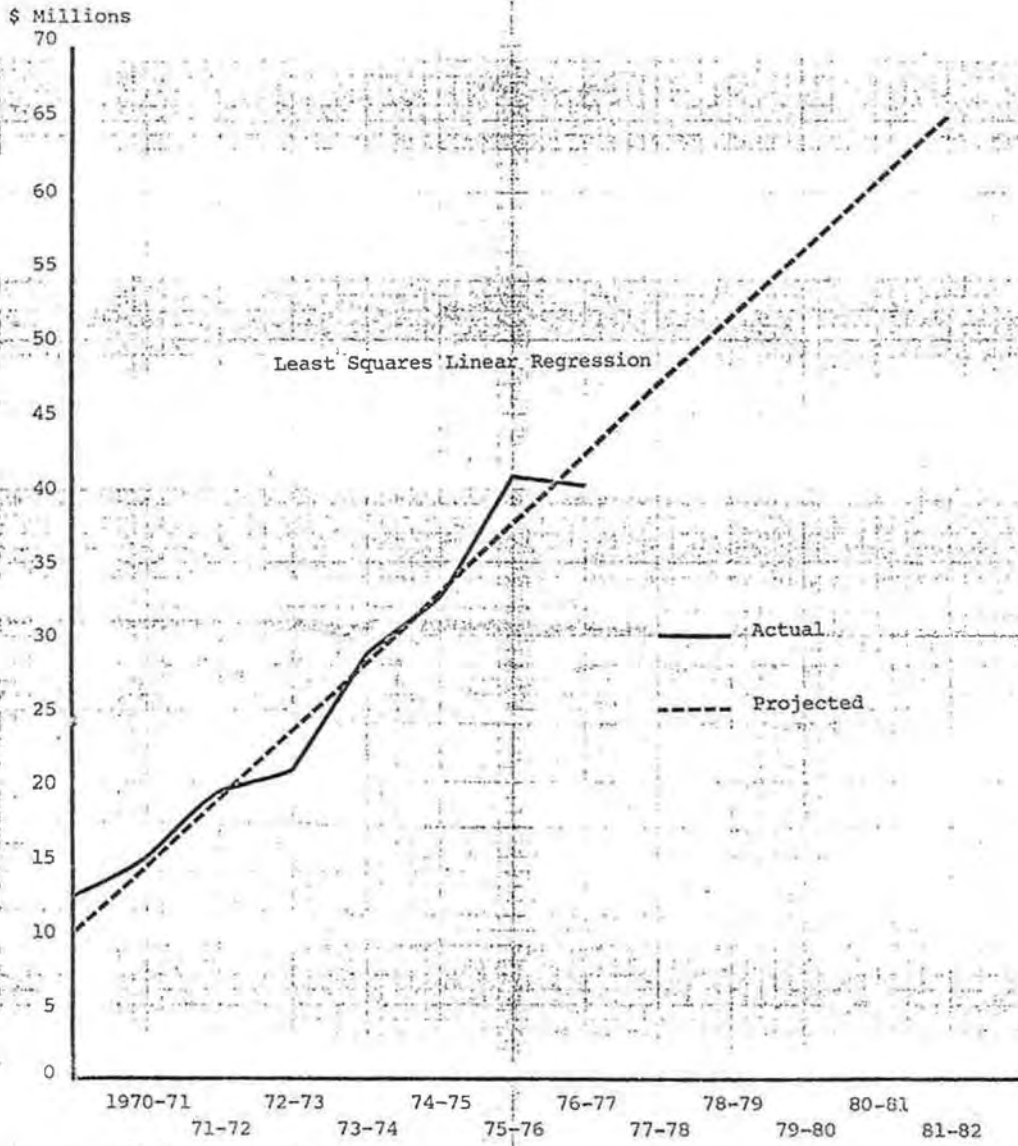
Year	Cost to operate M.U.N. (Government costs) (\$ million)
1970-71	15,320,712
1971-72	19,683,543
1972-73	20,892,203
1973-74	28,961,498
1974-75	32,827,400*
1975-76	41,031,700*
1976-77	40,267,300**
1977-78	47,000,000
1978-79	51,000,000
1979-80	56,000,000
1980-81	61,000,000
1981-82	65,000,000

* Revised Estimate

** Estimate

Please Note: Projection is an extension of the trend developed over past seven years. No attempt has been made to estimate or predict the effect of any changes in government policy with respect to grants to Memorial University of Newfoundland.

PROJECTED COST OF OPERATING MEMORIAL UNIVERSITY



504. The dollar losses caused by destruction or damage of schools by fire and the number of schools destroyed and the numbers damaged, in each of the financial years 1970-75.

SCHOOLS DESTROYED BY FIRE
(1970-75)

INTEGRATED

<u>SCHOOL BOARD</u>	<u>Date Of Fire</u>	<u>Insurance Collected</u>	<u>Insured For</u>
Corner Brook Broadway	May 25/75	\$650,000	(\$850,000)
Deer Lake Regional High 3 minor claims \$2,3000 (total)	Oct. 21/73	631,250	(\$631,250)
Avalon North Ascension Collegiate Victoria (Carbonear)	Nov. 11/74 Nov. 17/74	822,000 119,800	(\$822,000) (\$119,800)
Vinland New School, St. Anthony Gunners Cove & Ship Cove (Wind Damage)	Mar. 18/75 Mar. 19/74	693,450.28 55,000	(\$1,300,000)
Bonavista-Trinity-Placentia Little Catalina	June /71	55,000	(\$ 55,000)
St. John's St. Phillips Curtis Academy	May 24/75 Sept. 27/75	400,000 1,352,500	(\$400,000) (\$1,352,500)

ROMAN CATHOLIC SCHOOL BOARDS

INSURANCE CLAIMS 1970-75

<u>SCHOOL BOARD</u>	<u>LOCATION OF SCHOOL</u>	<u>TYPE OF DAMAGE</u>	<u>YEAR</u>	<u>AMOUNT OF CLAIM</u>
Bay St. George	St. Fintan's St. George's	Fire	1975	\$ 1,553.11
			(Dec.) 1974	
Burin Peninsula	St. Lawrence	Fire	(Oct.) 1973	\$ 12,500.00
Conception Bay North	Harbour Grace	Fire Smoke & Wind	(Apr.) 1972	\$293,000.00 25,000.00
Ferryland District	Bay Bulls	Smoke	1971	\$ 1,085.34
	Ferryland	Fire	1974	\$ 442.88
	Bay Bulls	Fire	1974	\$ 233.00
	Bay Bulls	Wind	1975	\$ 249.56
	Witless Bay	Smoke	1975	\$ 415.00
Humber-St. Barbe	Presentation Elementary	Fire	(Dec.) 1975	\$ 50,000.00
Labrador	Happy Valley	Fire	(Jan.) 1973	\$ 500.00
Placentia-St. Mary's	Jerseyside	Fire	1972	\$ 56,000.00
Port au Port	Cape St. George Port au Port	Wind	1975	\$ 30,000.00
		Fire	1971	\$ 3,000.00

FIRE DAMAGE

PENTECOSTAL SCHOOL BOARD

1970-75 NIL

487. A statement showing the projected costs of education to the treasury in each of the next ensuing five financial years.

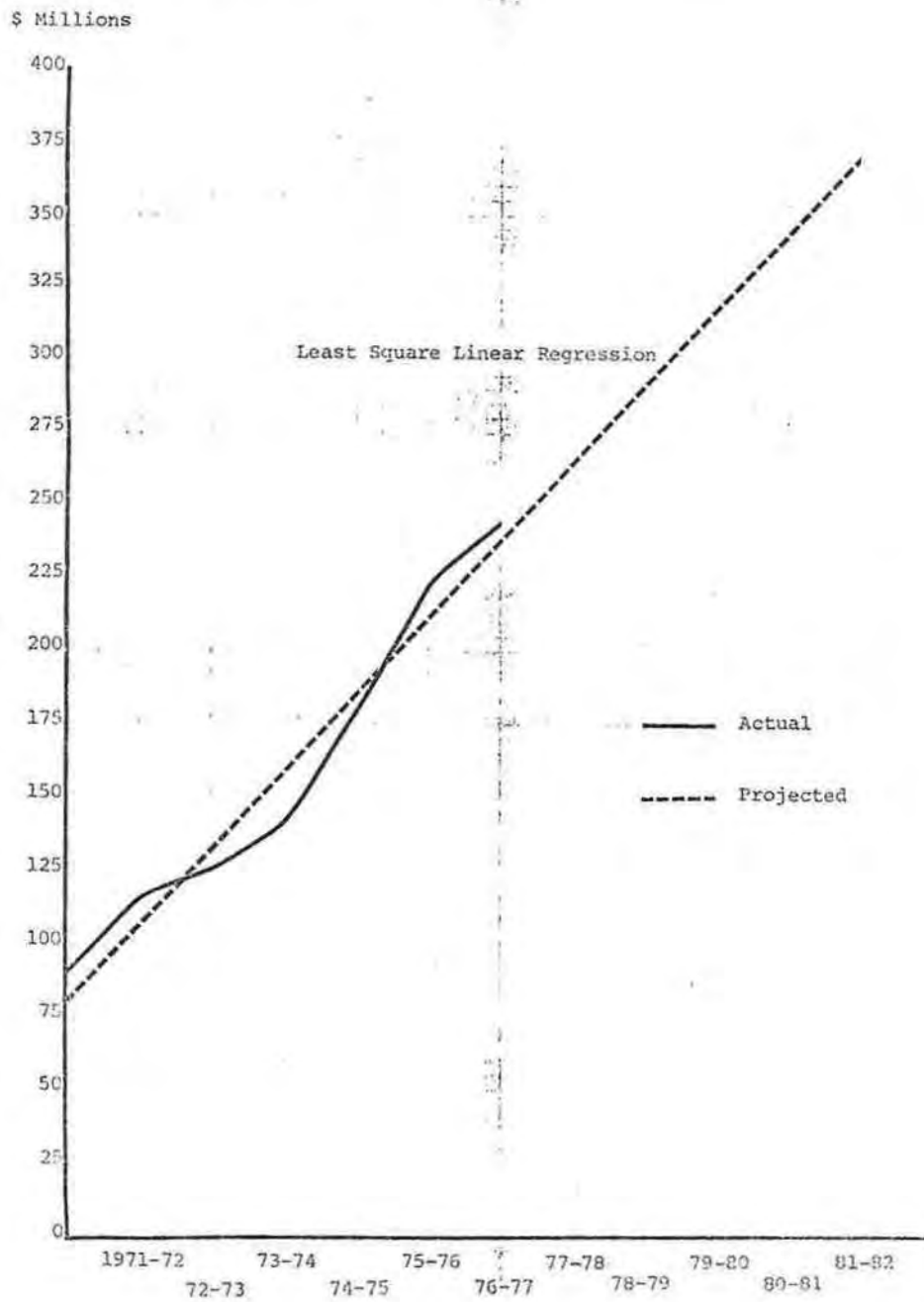
Year	Net Cost to Treasury
1971-72	116,204,536
1972-73	126,670,492
1973-74	142,474,263
1974-75	181,942,100*
1975-76	224,306,700*
1976-77	244,524,800**
1977-78	264,000,000
1978-79	291,000,000
1979-80	317,000,000
1980-81	343,000,000
1981-82	369,000,000

* Revised Estimate

** Estimate

Please Note: Projection is an extension of past trends. No attempt has been made to predict results of any changes in government policy with respect to expenditure on education.

EDUCATION: PROJECTED NET COST TO TREASURY



10 1976

590 Mr. Neary (LaPoile) - To ask the Honourable Minister of Education to lay upon the Table of the House the following information:

- (a) All contracts and agreements covering leasing, rentals, maintenance and servicing of the Regional College at Corner Brook.
- (b) Indicate in each case if public tenders were called, if so, was the contract awarded to the lowest bidder.

File No. B/C4/35/3



GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF PUBLIC WORKS AND SERVICES

ST. JOHN'S

June 2, 1976

Mr. John A. Mercer,
Economist,
Department of Education.

Re - Regional College,
Corner Brook.

- (a) Attached is a copy of the lease rental agreement with Western Realities Limited for the captioned project. Memorial University is responsible for maintenance and servicing.
- (b) Public tenders were called in August 1973 and the contract awarded to the lowest bidder.

Your letter dated May 19, 1976 refers.

A handwritten signature in dark ink, appearing to read "C. G. Butler".

C. G. BUTLER,
Assistant Deputy Minister.

CGB/tw

Encl.

THIS INDENTURE made as of the 1st. day of May, 1974.

B E T W E E N :

WESTERN REALTIES LIMITED, a company incorporated under the laws of the Province of Newfoundland, having its head office in the City of St. John's in the Province of Newfoundland,

hereinafter called "the Landlord",

OF THE FIRST PART;

- and -

HER MAJESTY THE QUEEN in right of Newfoundland, represented herein by the Minister of Public Works and Services for the Province of Newfoundland,

hereinafter called "the Tenant",

OF THE SECOND PART;

WHEREAS by Indenture dated as of May 1st, 1974 Her Majesty the Queen in right of Newfoundland, represented therein by the Minister of Public Works and Services for the Province of Newfoundland, did demise and lease unto Western Realities Limited ALL AND SINGULAR that certain parcel or tract of land and premises set out and described in Schedule "A" annexed hereto for a term commencing September 1st, 1975, and from thenceforth next ensuing and fully to be completed on September 1st, 2005, (which Indenture is hereinafter referred to as "the Ground Lease"):

AND WHEREAS it is a term and condition of the Ground Lease that Western Realities Limited shall have the right from time to time to mortgage or charge the Ground Lease and the leasehold interest of Western Realities Limited (the Landlord herein) created by it, and the building or buildings now situate or to be erected thereon (hereinafter referred to as "the Building"), which mortgage or charge is therein and hereinafter referred to as "the Leasehold Mortgage(s)".

NOW WHEREFORE THIS INDENTURE WITNESSETH:

1. That in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord doth demise and lease unto the Tenant the lands and premises set out and described in Schedule "A" annexed hereto, and all rights and appurtenances thereunto appertaining, the said lands and premises and the said rights and appurtenances being hereinafter sometimes collectively referred to as "the demised premises".

2. TO HAVE AND TO HOLD the demised premises, unless such term shall be sooner terminated as hereinafter provided, from and inclusive of the 1st day of September, 1975, and from thenceforth next ensuing and fully to be completed and ended on August 31st, 2005.

3. (a) YIELDING AND PAYING THEREFOR yearly and every year during the said term unto the Landlord, its successors and assigns the sum of NINE HUNDRED EIGHTY NINE THOUSAND, TWO HUNDRED AND EIGHTY TWO DOLLARS (\$989,282.00) of lawful money of Canada, to be payable in monthly instalments of EIGHTY TWO THOUSAND, FOUR HUNDRED and FORTY DOLLARS and seventeen cents (\$92,440.17) each in advance on the following days and times, that is to say on the first day of each and every month, first and including the first day of September, 1975, to and including the 1st day of August, 2005.

(b) PROVIDED THAT NOTWITHSTANDING anything to the contrary therein contained, it is agreed and understood that while rent accrues hereunder from the 1st. day of September, 1975 if the Project Architect has not issued the certificate of substantial completion of the Building on or before said date rent for the period from the 1st. day of September, 1975 to the date of issuance of said certificate of substantial completion together with rent for the period from the date of issuance of said certificate of substantial completion to the first date of the month next following the date of issuance of said certificate of substantial completion shall be payable on the last mentioned date.

4. All payments required to be made by the Tenant under or in respect to this Lease shall be made to the Landlord at the Landlord's office in St. John's, or to such agent or agents of the Landlord or at such other place as the Landlord shall hereafter from time to time direct in writing to the Tenant.

5.

THE TENANT covenants with the said landlord:

(a) To pay rent, hereby reserved, on the days and in the manner aforesaid without any deduction or defalcation or abatement thereof or out of any part thereof.

(b) That the Tenant will, as additional rent, in each and every year during the said term, pay and discharge all taxes (including local improvement rates), rates, duties and assessments that may be levied, rated, charged or assessed against the said premises or any part thereof, and, without limiting the generality of the foregoing, every other tax, charge, rate, assessment or payment which may become a charge or encumbrance upon or levied or collected upon or in respect of the demised premises or any part thereof, as the same become due respectively, whether charged by any municipal, parliamentary or other body during the term hereby demised. The Tenant shall pay, as the same become due respectively, all charges for public utilities, including water, gas, electrical power or energy, steam or hot water used upon or in respect of the demised premises and for fittings, machines, apparatus, meters or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities.

The Tenant shall have the right to contest by appropriate legal proceedings the validity of any tax, rate, including local improvement rates, assessment or other charges referred to in this paragraph; and if the payment of any such tax, rate, local improvement rates, assessment or other charges may legally be held in abeyance without subjecting the landlord or the Tenant to any liability of whatever nature for failure to so pay, the Tenant may postpone such payment until the final determination of any such proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch;

(c) That the Tenant, at its own expense, shall maintain and keep the demised premises and every part thereof and all fixtures in good order and condition, and promptly make all needed repairs and replacements, save and except reasonable wear and tear and damage by fire, lightning, tempest and the Queen's enemies, and, without limiting the foregoing, the Tenant shall keep the demised premises well painted, clean and in such condition as a prudent owner would do;

(d) That it shall be lawful for the landlord and its agents, at all reasonable times during the said term, to enter the demised premises to inspect the condition thereof. Where an inspection reveals repairs are necessary, the landlord shall give the Tenant notice in writing, and thereupon the Tenant will, within three (3) calendar months from the date of delivery of the notice, make the necessary repairs in a good and

after receiving of such notice commence and proceed diligently with the execution of the repairs and works mentioned in such notice it shall be lawful for the Landlord to enter upon the demised premises and execute such repairs and works and to recover the cost thereof as a debt due from the Tenant to the Landlord;

(e) To report to the Landlord any and all damage at any time caused to the demised premises, its fixtures equipment and contents by fire, storm tempest explosion or any other cause whatsoever whether of a like or of a different kind promptly after the happening of such damage;

(f) To keep the interior of the demised premises all fittings and fixtures therein and all glass in the windows thereof and the sanitary and plumbing fixtures thereof in good and tenantable repair and condition reasonable wear and tear and repairs agreed to be done by the Landlord and damage or destruction by fire, storm, tempest, explosion, the Queen's enemies or other casualty excepted;

(g) To protect and preserve the heating and plumbing fixtures and facilities in the demised premises from freezing at all times and to be responsible for any damage caused by its failure to do so and to effect and pay for all necessary repairs and replacements caused by such failure both as regards the heating and plumbing fixtures and facilities and as regards any other portion of the demised premises its fixtures, equipment

(h) Not to make or permit to be made any structural alterations in the demised premises or any part thereof without the consent of the Landlord, it being understood and agreed that the Tenant may make such structural alterations as are necessary to enable heat, water and electricity to be supplied to the demised premises, the design and nature of the proposed alterations to be first approved by the Landlord whose approval shall not be unreasonably withheld, it being further understood and agreed that at the termination of the lease, the Tenant, if requested by the Landlord, will restore the demised premises to their original conditions;

(i) To attorn as tenant to the holder(s) of the Leasehold Mortgage(s) if the said holder(s) of the Leasehold Mortgage(s) becomes the Tenant under the Ground Lease, or if the holder(s) of the Leasehold Mortgage(s) becomes the Tenant under a new ground lease pursuant to Clause 5:06 of the hereinbefore recited Ground Lease, and the Tenant is hereby deemed to have knowledge of the contents of Clause 5:06 of the said Ground Lease

(j) To heat the said premises in a reasonable manner at its own expense;

(k) That it will promptly comply with all requirements of the local Board of Health, Police or Fire Department and all governmental and municipal authorities having jurisdiction over the said premises respecting the manner in which it

uses or maintains the said premises;

(l) ADD will not assign or sublet without leave, from both the landlord and holder(s) of the Leasehold Mortgage, provided such leave shall not be unreasonably withheld. The Tenant shall furnish to the landlord copies of any assignments or subleases made hereunder it being distinctly understood and agreed that the Tenant may sublet parts of the demised premises to others so long as the Tenant remains in control of the demised premises, and the Tenant agrees to provide the Landlord and the holder(s) of the Leasehold Mortgage(s), true copies of any such subleases, forthwith after their execution;

(m) At the expiration or previous determination of the term of this lease peaceably and quietly to yield and deliver up possession of the demised premises to the Landlord;

(n) That it will not do or omit to do or permit to be done or omitted anything upon or in respect of the demised premises, the doing or omission of which (as the case may be) shall be or result in a nuisance;

(o) At all times during the said term, the Tenant shall, at its own cost and expense, insure and keep insured or cause to be insured and keep insured the Building in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of the Leasehold Mortgage(s) and the Landlord, in the sum of not less than its full replacement value (excluding the replacement value of foundations and architectural fees relating to such foundations), against loss or damage by fire and other perils, now or hereafter from time to time embraced by or defined in a standard fire insurance extended coverage or additional perils supplemental contract. The policy or policies of insurance required to be placed by this Lease shall provide that the interest of the holder(s) of any Leasehold Mortgage(s) shall not be prejudiced by any act of the Tenant or the Landlord;

(p) At all times during the said term, the Tenant shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of any Leasehold Mortgage(s) and the Landlord comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of negligence in the maintenance and operations of the Building indemnifying and protecting the Landlord and the holder(s) of the Leasehold Mortgage(s) from time to time. Any and all policies of such insurance shall be for the mutual benefit of the Tenant and the holder(s) of such Leasehold Mortgage(s);

(q) At all times during the said term, the Tenant shall, at its own expense, maintain in accordance with policy terms and conditions and in one or more companies satisfactory to the holder(s) of any Leasehold Mortgage(s) and the Landlord

Rental Income Insurance with a twelve (12) month period of indemnity, provided that the provisions of this subparagraph shall not apply while the Tenant hereunder is Her Majesty the Queen in right of Newfoundland;

(r) The Tenant shall pay all the premiums under the aforesaid policies as they become due and payable;

(s) The Landlord, Tenant and the holder(s) of any Leasehold Mortgage(s) shall be named as the insured on all policies of insurance with all losses payable under the said policies to the said parties as their interest may appear. All such policies shall provide that the interest of the holder(s) of any Leasehold Mortgage(s) shall not be prejudiced by any act of the Landlord or the Tenant, and all such policies shall contain the standard Mortgagee's clause;

(t) All policies of insurance (or certificate thereof) or other evidence of continuity of insurance shall be delivered to the Landlord, and certified copies thereof to the holder(s) of any Leasehold Mortgage(s) accompanied by a copy of the receipted premium account indicating that the premiums thereon have been paid not less than fifteen (15) days prior to the expiration of any then current policy;

6. AND the Landlord hereby covenants to and with the Tenant that the Tenant paying the rent hereby reserved on the days and in the manner hereinbefore limited and appointed for payment thereof and observing and performing and fulfilling and keeping all and singular the covenants and agreements herein contained which on the Tenant's part ought to be observed, performed, fulfilled and kept, shall and may peaceably and quietly have, hold, occupy and possess, and enjoy the demised premises with the appurtenances thereto belonging for and during the term hereby created without any intervention or hindrance of or by the Landlord or any person lawfully claiming or to claim by, from, under or in trust for the Landlord.

7. (a) The partial or total destruction or damage or complete destruction by fire or other casualty of the Building shall not terminate this lease nor entitle the Tenant to surrender possession of the demised lands nor to demand any abatement or reduction of the rent or additional rent or other charges payable under this lease, any law or statute now or in the future to the contrary notwithstanding;

(b) As to the amount of any loss payable under any of the policies of insurance referred to in this lease, the same shall be paid to the Landlord and the holder(s) of any Leasehold Mortgage(s) as their interest may appear, to be held in trust by the Landlord and the holder(s) of any Leasehold Mortgage(s) and paid over to the Tenant upon completion by the Tenant of the restoration, reconstruction or replacement of the loss or damage in respect of which such insurance monies were

idental thereto. Provided that the holder(s) and the holder(s) of any Leasehold Mortgage(s) shall, if requested by the Tenant, pay any such insurance monies in instalments during the period of and for costs already incurred for such restoration, reconstruction or replacement, against certificates of the architect in charge of such restoration, reconstruction or replacement, and after receiving such other certificates, evidence and opinions as they shall require for the purpose of being satisfied that such restoration, reconstruction or replacement is being properly proceeded with;

(c) Any replacement, repair or reconstruction of the Building or any part thereof pursuant to the provisions of this Lease shall be made or done in compliance with the Ground Lease;

(d) Any holder(s) of any Leasehold Mortgage(s) is hereby authorized, at his sole expense and absolute discretion, to proceed with the work of restoration, reconstruction or replacement, as the case may be, provided it is done in full compliance with the hereinbefore referred to Ground Lease. The holder(s) of such Leasehold Mortgage(s) so restoring, reconstructing or replacing shall be subrogated to the rights of the Landlord and Tenant to the whole amount of insurance monies payable as a result of a loss payable under any of the policies of insurance referred to herein. It is expressly understood that nothing contained herein shall obligate the holder(s) of any Leasehold Mortgage(s) to proceed with the work of such restoration, reconstruction or replacement.

8. PROVIDED AND IT IS HEREBY EXPRESSLY AGREED THAT DURING THE TERM OF THIS LEASE:

(a) The Landlord shall be responsible for the maintenance and upkeep to the exterior of the buildings (except broken glass) and to the exterior utility services located underground and for all structural deficiencies; it being understood and agreed the term "exterior of the buildings" as hereinbefore used shall mean roofs, foundations and exterior walls provided that notwithstanding the general intent to the contrary, the Landlord's obligations in respect of the roofs shall extend only for a period of ten years commencing from the date of the issuance of the hereinbefore mentioned certificate of substantial completion of the Project Architect and thereafter the obligations in respect of such roofs shall be those of the Tenant. The Tenant agrees to immediately notify the landlord of the necessity for any repairs of which the Tenant may have knowledge for which the landlord may be responsible under the provisions of this subparagraph.

(b) That notwithstanding the benefit of any present future statute taking away or limiting the Landlord's right of distress, none of the goods and chattels of the Tenant

on the demised premises at any time during the said term shall be exempt from levy by distress for rent in arrears;

(c) That the Landlord shall not in any event whatsoever be liable or responsible in any way for any personal injury or death that may be suffered or sustained by the Tenant or any employee of the Tenant or any other person who may be upon the demised premises or for any loss of or damage or injury to any property belonging to the Tenant or to its employees or to any other person while such property is on the demised premises, and in particular (but without limiting the generality of the foregoing), the Landlord shall not be liable for any damage to any such property caused by steam, water, rain or snow which may leak into, issue or flow from any part of the said building or adjoining premises, or from the water, steam, sprinkler or drainage pipes or plumbing works of the same, or from any other place or quarter, or for any damage caused by or attributable to the condition or arrangement of any electrical or other wiring, or for any damage caused by anything done or omitted to be done by any tenant; AND the Tenant hereby agrees to indemnify and hold the Landlord free and harmless from and against any loss, cost, liability or expense (including but not limited to reasonable solicitors' fees) resulting from such loss, damage or injury;

(d) That the Tenant will not bring upon the demised premises, or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use might damage the demised premises, and that if any damage is caused to the demised premises by any machinery, equipment, article or thing or by overloading or by any act, neglect or misuse on the part of the Tenant, or any of its servants, agents or employees, or any person having business with the Tenant, the Tenant will forthwith repair the same or pay to the Landlord the cost of making good the same;

(e) That the Tenant will indemnify and save harmless the Landlord of and from all liabilities, fines, suits, claims, demands, and action of any kind or nature to which the Landlord shall or may become liable for or suffer by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provisions hereof or by reason of any injury or death resulting from, occasioned to or suffered by any person or persons or any property by reason of any act, neglect or default on the part of the Tenant or any of its agents or employees; such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death occurring during the term of the lease shall survive any termination of this lease, anything in this lease to the contrary notwithstanding;

(f) That in the event of the Tenant failing to pay any taxes, rates, insurance premiums or charges which it

has herein covenanted to pay, the Landlord may pay the same and shall be entitled to charge the same so paid to the Tenant, who shall pay them forthwith on demand; and the Landlord, in addition to any other rights, shall have the same remedies and may take the same steps for the recovery of all such sums as it might have and take for the recovery of rent in arrears under the terms of this Lease; all arrears of rent and any monies paid by the Landlord hereunder shall bear interest at the rate of 10% per centum per annum from the time such arrears become due until paid to the Landlord;

(g) That the Tenant will keep the demised premises and every part thereof in a clean and tidy condition and will not willingly and knowingly permit wastepaper, garbage, ashes or waste or objectionable material to accumulate thereon;

(h) Whenever in this Lease reference is made to the demised premises, it shall include all structures, improvements and erections in or upon the demised premises or any part thereof from time to time;

(i) The Tenant shall from time to time at the request of the Landlord produce to the Landlord satisfactory evidence of the due payment by the Tenant of all payments required to be made by the Tenant under this Lease;

2. (a) PROVIDED that the Tenant may remove all fixtures installed by the Tenant; PROVIDED FURTHER that the Tenant shall not remove or carry away from the said premises any building or any plumbing, heating or ventilation plant or equipment or other building services. AND PROVIDED FURTHER that any equipment or machinery installed by the Tenant necessarily bolted to or affixed to the Building as part thereof shall be considered under the terms of this Lease as personal property, and, except where otherwise specifically stated, shall be removable by the Tenant as the Tenant's fixtures upon expiration or other termination of this Lease, and without limiting the generality of the foregoing, to include overhead cranes, transformers, presses and heavy machinery; IT BEING UNDERSTOOD, however, that the Tenant shall forthwith repair any damages to the premises resulting from the removal of such Tenant's fixtures, and that if the Tenant does not make such repairs promptly the same may be made by the Landlord for the account of the Tenant. The Tenant may, however, lease the said fixtures in or upon the premises with the permission of the Landlord and the Holder(s) of the Leasehold Mortgage(s) and such permission shall be deemed to have been granted where the said permission has been requested in writing by the Tenant at least sixty (60) days prior to the termination of this lease or renewal thereof and the Land and the Holder(s) of the Leasehold Mortgage(s) have not within a period of sixty (60) days from the receipt of the said request refused in writing to grant the said permission and where the said permission has been

granted, the Tenant shall not be liable to pay compensation or make any other payment to the Landlord in respect to the said fixtures.

(b) In this section "alterations" shall mean all changes, alterations, additions, repairs and improvements to the demised premises; where alterations have been made by the Tenant with the written approval of the landlord and the holder(s) of the Leasehold Mortgage(s) the Tenant will not be required to restore the premises to the state which existed at the commencement of this lease but the Tenant shall yield up the premises to the Landlord together with the alterations in good and tenantable repair, accident and damage to the building from fire, storm, tempest and reasonable wear and tear only excepted and the Tenant shall not be liable to pay compensation or to make any other payment to the Landlord in respect of restoration or of any loss or damage to the demised premises resulting from or occasioned by the said alterations or any other loss or damage arising out of or incidental to the said alterations;

10. That in case the said rent hereby reserved or any part thereof shall be at any time in arrears or unpaid for the space of 30 days after the due date whether demanded by the Landlord or not or in case default shall be made by the Tenant in the observance or performance of any covenant or agreement by it to be observed and performed then and in any of such cases and from thenceforth it shall be lawful to and for the Landlord into and upon the demised premises or any part thereof in the name of the whole to re-enter and thereupon at the option of the Landlord this tenancy shall absolutely determine but without prejudice to the right of action of the Landlord in respect of any breach of the Tenant's covenants and agreements herein contained.

11. That the Landlord shall not be liable for any damage to the fixtures or equipment of the Tenant, except damage caused by the negligence of the Landlord or the servants, agents or workmen of the Landlord.

12. Notwithstanding the Tenant's covenant to repair or to the Landlord's continuing obligation under Paragraph 8(a) above, the Landlord hereby further covenants and agrees that for a period of fifteen months from the date of the issuance of the hereinbefore mentioned certificate of substantial completion by the Project Architect that the Landlord shall be responsible for all repairs necessary to be made to the demised premises resulting from any and all defects which can be attributable to faulty workmanship or materials or by reason of not complying with the strict requirements of the plans and specifications as contained in the tender documents and Landlord agrees and agrees to

repairs or repairs made by the Tenant or other persons authorized upon Notice and at no cost to the Tenant.

13. Option to Purchase - The Landlord hereby agrees that the Tenant shall and is hereby granted the option exercisable on thirty (30) days prior notice in writing to the Landlord and to the holder(s) of the Leasehold Mortgage(s) to purchase the demised premises described in the Lease as follows:

(a) at the end of the fifth year of the term granted at the price of \$10,775,000.00 to be adjusted by deducting therefrom the amount of the then outstanding conventional mortgage(s) which mortgage(s) shall thereupon be assumed by Tenant;

(b) at the end of the fifteenth year of the term granted at the price of \$9,375,000.00 to be adjusted by deducting therefrom the amount of the then outstanding conventional mortgage(s) which mortgage(s) shall thereupon be assumed by Tenant;

14. IT IS the intention of this Lease that the said rentals herein provided to be paid shall be net to the Landlord and clear of all taxes (except the Landlord's Income and Corporations Taxes), costs and charges arising from or relating to the demised premises, and that subject to Landlord's obligations herein set forth the Tenant shall pay all charges, impositions, expenses of every nature and kind relating to the demised premises, and the Tenant covenants with the Landlord accordingly.

15. The Landlord covenants with the Tenant for quiet enjoyment.

16. PROVIDED that during the term hereby created any person or persons may inspect the said premises and all parts thereof at all reasonable times on producing a written order to that effect signed by the Landlord or its agents.

17. Subject to Paragraph 13 this Lease cannot be modified so as to:

- (a) reduce the rent as provided herein;
- (b) change any renewal privileges;
- (c) shorten the term of this Lease;
- (d) allow any prepayment of rent;

without the consent of the holder(s) of the Leasehold Mortgage(s) and any such modification without the consent of the holder(s) of the Leasehold Mortgage(s) will be void as against the said holder(s) of the Leasehold Mortgage(s), it being intended that the terms, conditions and provisions contained in this Lease are being relied upon by holder(s) of the Leasehold Mortgage(s) and their assignees and prospective purchasers of the Landlord's interest herein.

18. ANY building, erection or improvement placed or erected upon the demised premises shall become a part thereof and shall not be removed, and shall be subject to all the provisions of this lease. No building, erection or improvement shall be erected upon the demised premises without the written prior consent of the Landlord, and the holder(s) of the Leasehold Mortgage(s).

19. The Landlord declares that it may assign its rights under this Lease to the holder(s) of any Leasehold Mortgage(s) as collateral security for a loan to the Landlord, and in the event that such an assignment is given and executed by the Landlord, IT IS EXPRESSLY AGREED between the Landlord and the Tenant that this Lease shall not be cancelled or modified for any reason whatsoever except as provided for, anticipated or permitted by the terms of this Lease or by law, without the consent in writing of such holder(s) of any Leasehold Mortgage(s).

20. The Tenant covenants and agrees with the Landlord that it will, if and whenever reasonably required by the Landlord and at the Landlord's expense, consent to any instrument relating to this Lease or amendments thereto which may be required by or on behalf of any purchaser, financial institution or mortgagee from time to time of the said premises; PROVIDED always that the rights of the Tenant as hereinbefore set out be not altered or varied by the terms of such instrument or document.

21. The Tenant shall have the right from time to time during the term hereby granted to erect, paint, display, maintain, alter, change or remove advertising signs on the exterior and interior of the walls and on the roof of the said building. All such signs shall be dignified in appearance and shall comply with the lawful requirements of municipal and governmental authorities. They shall remain the property of the Tenant. Upon the removal of any such signs, the demised premises shall be restored to their original condition, except for reasonable wear and tear. The Tenant shall indemnify the Landlord against any loss or damage caused to any person or thing as a result of the placing or use of any sign on the demised premises.

22. PROVIDED that if, due to the failure of the Landlord to complete construction or to make available the services which the Landlord is hereby obliged to furnish, the demised premises or any part thereof are not ready for occupancy on the date of commencement of the term, no part of the rent, notwithstanding that the Tenant may occupy a part of the demised premises, shall be payable

For the period before the date when the entire derived premises are ready for occupancy as evidenced by the certificate of substantial completion of the Project Architect and the full rent shall become payable at the time provided for in Clause 3 (b).

23. NO condoning, excusing or overlooking by either party hereto of any default, breach or non-observance by the other party in respect of any covenants, provisos or conditions herein contained shall operate as a waiver in respect of any continuing or subsequent default, breach or non-observance.

24. IF, at any time during the term of this Lease, the Landlord receives a bona fide offer to purchase its interest in the premises, the Landlord shall provide to the Tenant a copy of such bona fide offer and the Tenant will be given the first right to match the said offer provided the Tenant must exercise this option within thirty (30) days of receipt by Tenant of a copy of said offer. The Landlord shall not dispose of its interest in the premises without first obtaining the consent of the Tenant and the holder(s) of any Leasehold Mortgage(s). Such consent shall not be unreasonably withheld.

25. In the event of expropriation, each of the parties hereto and the holder(s) of the Leasehold Mortgage(s), if any, are to be entitled to be represented in negotiations, proceedings, etc., and in due course to receive payment out of the proceeds of the expropriations in accordance with their interests as set out in this document.

26. Notwithstanding anything herein contained to the contrary, any notice required to be given to the Tenant shall be deemed sufficiently given if sent by registered mail to the Tenant at the said premises with a copy to the Deputy Minister of Public Works and Services, Confederation Building, St. John's Newfoundland and such notice shall be deemed to have been received by the Tenant on the second business day after the date on which it shall have been so mailed.

Any notice to be given to the Landlord shall be deemed sufficiently given only if sent by registered mail to the Landlord at its head office in St. John's, Newfoundland, and to the head office of any assignee of the Landlord's interest hereunder and to the head office of the holder(s) of the Leasehold Mortgage(s), and such notice shall be deemed to have been received by the Landlord and by any assignees of the Landlord's interest hereunder, and by the holder(s) of the Leasehold Mortgage(s) on the second business day after the date on which it shall have been so mailed.

Any notice to be given to the holder(s) of the Leasehold Mortgage(s) shall be deemed sufficiently given if sent by registered mail to the holder(s) of the Leasehold

Notwithstanding anything to the contrary herein contained, it is agreed and understood that all provisions of this lease requiring the Tenant to give notice to holder(s) of any Leasehold Mortgage(s) or any assignee(s) of the Landlord's interest hereunder shall become effective only upon the Landlord or the holder(s) or proposed holder(s) of any Leasehold Mortgage(s) or any assignee(s) or proposed assignee(s) of Landlord's interest hereunder giving to the Tenant notice that they have become or intend to become holder(s) of Leasehold Mortgage(s) or assignee(s) of Landlord's interest hereunder together with an address to which notices may be forwarded pursuant to the requirements of this Lease and the Tenant expressly agrees to give to such holder(s) or proposed holder(s) of Leasehold Mortgage(s) and such assignee(s) or proposed assignee(s) of Landlord's interest hereunder all notices required to be given to such parties pursuant to the provisions of this Lease.

Either the Landlord or the Tenant or the holder of any Leasehold Mortgage(s) may at any time give notice in writing to the other or others of any change of address of the party giving such notice and from and after the giving of such notice, the address of such party for the giving of such notices thereafter shall be the changed address.

27. No termination of this Lease without the prior written consent of the holder(s) of any Leasehold Mortgage(s) prior to its unexpired term shall be valid unless all monies then outstanding under any Leasehold Mortgage(s) have been paid and until the holder(s) of the Leasehold Mortgage(s) have acknowledged in writing to the Landlord and the Tenant the fact that all monies outstanding under the said Leasehold Mortgage(s) have been paid.

28. INDEMNIFICATION OF LANDLORD

The Tenant shall indemnify and save harmless the Landlord from any and all liabilities, damages, costs, claims, suits or actions (provided that such liabilities, damages, costs, claims, suits or actions do not result as a result of the negligence of the Landlord or its servants or agents) growing out of:

Violations of the Lease

(a) Any breach, violation or non-performance of any covenants, condition or agreement in this Lease set forth and contained on the part of the Tenant to be fulfilled, kept, observed or performed;

Property Damage

(b) Any damage to property of the Tenant, any

subtenant, licensee and all persons claiming through or under it, them or any of them or damage to any other property howsoever occasioned by the use and occupation of the demised premises and the Building and other improvements thereon; and

Public Liability

(c) Any injury to person or persons including death, resulting at any time therefrom occurring in or about the demised premises and/or the sidewalks adjacent to the same.

29.

ESTOPPEL CERTIFICATE

The Tenant agrees that it will, at any time and from time to time, upon not less than fifteen (15) days prior notice, execute and deliver to the Landlord and the holder(s) of any Leasehold Mortgage(s) a statement in writing certifying that this Lease is unmodified, and is in full force and effect (or if modified, stating the modifications, and that the same is in full force and effect as modified), the amount of the annual rental then being paid hereunder, the dates to which the same, by instalments or otherwise, and other charges hereunder have been paid, particulars of any monies or securities deposited hereunder with the Landlord of which the Tenant has notice, and the Landlord agrees that it will, at any time and from time to time, upon not less than fifteen (15) days prior notice, execute and deliver to the Tenant and the holder(s) of any Leasehold Mortgage(s) a similar statement stating in addition whether or not there is any existing default on the part of the Tenant of which the Landlord has notice, whether or not it has approved any plans and specifications for any major structural repairs, replacements or rebuilding, or for any demolition of existing structures and/or the Building or new Building, and if the same have been completed in a manner satisfactory to it, the particulars and amounts of insurance policies on the demised premises in which its interest is noted, and of monies or securities it may have on hand to pay, or amounts outstanding to it hereunder, the amount of annual rent then being paid hereunder, the dates to which the same, by instalments or otherwise and other charges hereunder have been paid, and the amount of arrears of rent or sums recoverable as if arrears of rent, if any; and it is hereby agreed that any such statement delivered pursuant to the provisions of this clause may be conclusively relied upon by any purchaser or prospective purchaser, or the holder(s) of the Leasehold Mortgage(s), or assignees thereof. If either party fails to give such statement within fifteen (15) days after the receipt of notice requesting the same, then the other party may sign such statement as attorney for the party failing to give such notice and the contents of such statement shall be binding on the defaulting party, it being intended that any such statement delivered pursuant to this clause may be relied on by the holder(s) of the Leasehold Mortgage(s), or assignees thereof.

or assigns or sub-lessees of this lease.

30. Notwithstanding the generality of paragraph 8 (a) herein it is expressly understood and agreed that if the exterior of the buildings as heretofore defined, including the exterior utility services located underground, become damaged or destroyed through any act, negligence, carelessness or misuse of any person other than the Landlord, its servants or agents, then the Tenant shall repair such damage and replace all or any part of the building which may be so destroyed.

31. Except as herein provided, no surrender of this Lease by the Tenant shall be valid unless accepted in writing by the Landlord and the holder(s) of any Leasehold Mortgage(s).

32. Any condoning, excusing, or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenants, proviso or condition contained in this document shall not operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, nor so as to defeat or affect in any way the rights of the Landlord hereunder in respect of any such continuing or subsequent default, breach or non-observance, and all rights and remedies herein contained to the Landlord shall be deemed to be cumulative and not alternative.

33. The Landlord and Tenant agree that all of the provisions of this document are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate paragraph hereof.

34. WORDS importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender, and words importing persons shall include firms and corporations, and vice versa.

35. THIS INDENTURE and everything herein contained shall extend to and bind and enure to the benefit of the respective heirs, executors, administrators, successors and assigns (as the case may be), of each and every of the parties

hereto, subject to the consent of the Landlord and holder(s) of any Leasehold Mortgage(s) being obtained, as hereinbefore provided to any assignment or sub-lease by the Tenant, and, where there is more than one Landlord or Tenant, or where the Landlord or Tenant is a male, female or a corporation, the provisions herein shall be read with all grammatical changes thereby rendered necessary. All covenants herein contained shall be deemed joint and several, and all rights and powers reserved to the Landlord may be exercised by either the Landlord or its agents or representatives.

IN WITNESS WHEREOF, the Minister of Public Works and Services has hereunto subscribed his hand and the Seal of the Department of Public Works and Services has been hereunto affixed and the Common Seal of WESTERN REALTIES LIMITED has been hereunto affixed in the presence of its duly authorized officers in that behalf and in accordance with its rules and regulations as of the day and year first before written.

SIGNED by the Minister of Public Works and Services and the Seal of the Department of Public Works and Services was hereunto affixed this 3rd day of June, 1974 in the presence of-

James A. Nescent
WITNESS *Barrister*

J. L. Fousseau Jr.
MINISTER OF PUBLIC WORKS AND SERVICES



The Common Seal of WESTERN REALTIES LIMITED was hereunto affixed this 3 day of June, 1974 in the presence of:

James Nescent
Barrister

WESTERN REALTIES LIMITED
PER: [Signature]

SCHEDULE "A"

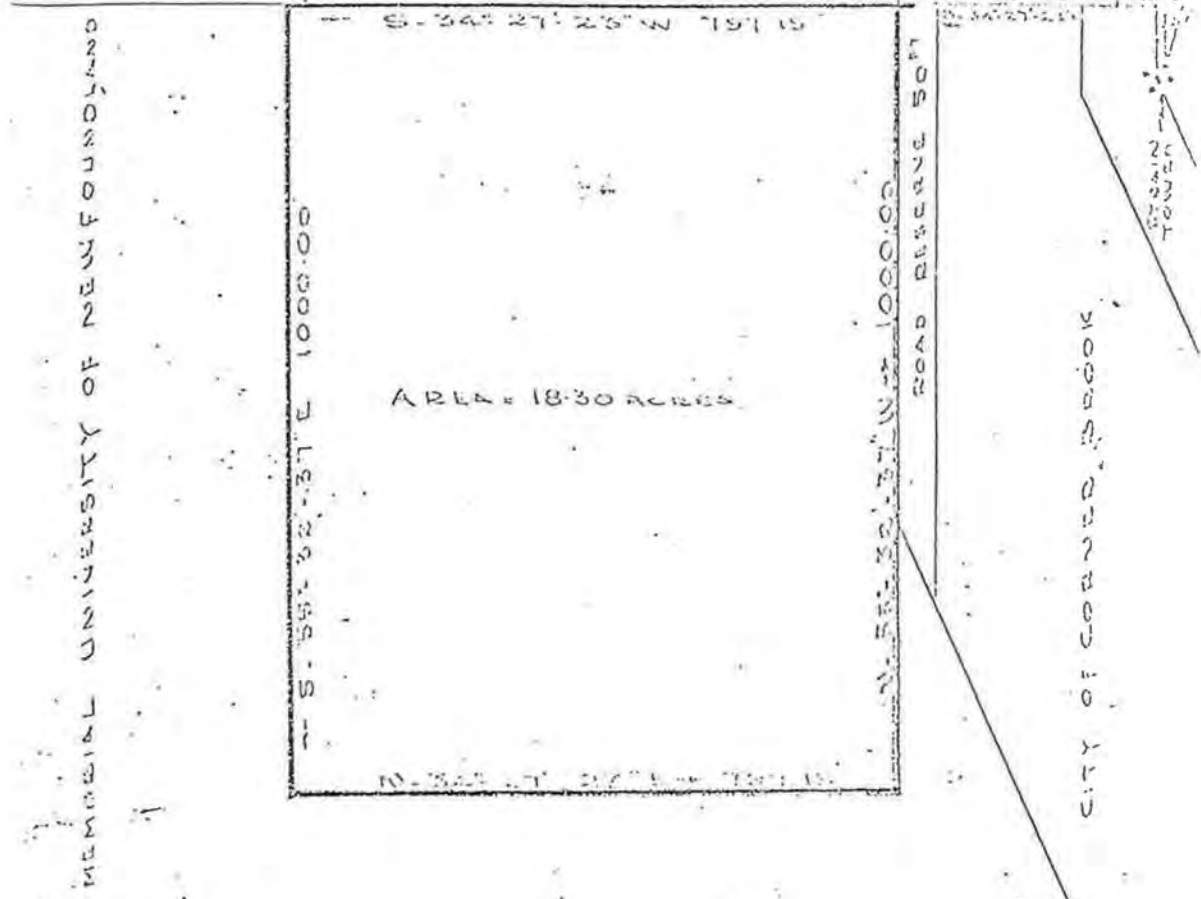
ALL THAT certain lot, piece or parcel of land situate, lying and being on the southern side of a road reserve being the extension of Mount Bernard Avenue, in the City of Corner Brook, Province of Newfoundland, being bounded and described as follows, that is to say: The starting point can be found by running along the centerline of the Watson's Brook Transmission line North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) ninety-five and forty-five hundredths (95.45') feet from the center of a strain tower on the said line East of the Corner Brook Arts and Culture Centre, thence South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) three hundred thirty-nine and seventy-five hundredths (339.75') feet thence from the above described starting point along property owned by the Bay of Islands-St. George's, Integrated School Board South thirty-four degrees twenty-seven minutes twenty-three seconds West (S 34° 27' 23" W) seven hundred ninety-seven and fifteen hundredths (797.15') feet, thence by land of Memorial University of Newfoundland as follows: South fifty-five degrees thirty-two minutes thirty-seven seconds East (S 55° 32' 37" E) one thousand (1000.00) feet North thirty-four degrees twenty-seven minutes twenty-three seconds East (N 34° 27' 23" E) seven hundred ninety-seven and fifteen hundredths (797.15) feet, thence by land of Memorial University of Newfoundland and a road reservation fifty (50.00) feet wide North fifty-five degrees thirty-two minutes thirty-seven seconds West (N 55° 32' 37" W) one thousand (1000.00) feet to the starting point. The herein described lot is delineated in red on a plan hereto attached and contains an area of eighteen and thirty hundredths (18.30) acres. Bearings given are from the True Meridian.

RESERVED FOR THE PURPOSES OF: All mines, minerals, quarry materials, coal, oil, natural gas and salt.

MEMORIAL UNIVERSITY OF NEWFOUNDLAND
MEMORIAL UNIVERSITY OF NEWFOUNDLAND



MEMORIAL UNIVERSITY OF NEWFOUNDLAND
MEMORIAL UNIVERSITY OF NEWFOUNDLAND
MEMORIAL UNIVERSITY OF NEWFOUNDLAND



MEMORIAL UNIVERSITY OF NEWFOUNDLAND



MEMORIAL UNIVERSITY OF NEWFOUNDLAND

DATED: May 28th, 1974.

WESTERN REALTIES LIMITED

- and -

HER MAJESTY THE QUEEN in right
of Newfoundland, represented
herein by the Minister of Public
Works and Services for the
Province of Newfoundland

L E A S E

Contents

June 10, 1976	Page
Presenting Petitions	
By Mr. Woodrow in behalf of residents of Irishtown asking that a second waterline be installed at the community.	10542
Spoken to by:	
Mr. Rideout	10542
Mr. Peckford	10542
Mr. Smallwood	10543
Mr. Neary	10544
By Mr. Roberts in behalf of residents of Forteau asking that if the Administration cannot start work on both sides of the Straits of Belle Isle on a tunnel, then work should start on the Labrador side.	10545
Spoken to by Mr. Neary.	10547
Answers to Questions for which Notice has been Given	
Mr. House tabled the answers to Questions Nos. 482, 559, 504, 487 and 590.	10548
Oral Questions	
Query as to Government's position on the withdrawal of services at the Grace Hospital, and what steps are being taken to ensure continuation of hospital services. Mr. Roberts, Mr. Maynard.	10548
Query as to whether when an injunction has been issued by the Supreme Court regarding picketing the Court itself can enforce the injunction when and if it is violated. Mr. Smallwood, Mr. Hickman.	10550
Whether the initiative lies with the Court or with the party which obtained the injunction. Mr. Smallwood, Mr. Hickman.	10551
Four schools dropping the Grade Eleven examinations. Mr. Neary, Mr. House.	10553
Query as to what standards apply in these schools. Mr. Neary, Mr. House.	10555
Query as to the wisdom of such innovations. Mr. Neary, Mr. House.	10556
Initiative for the change. Mr. Neary, Mr. House.	10556
Query as to what institutions will accept the private exams. Mr. Rowe, Mr. House.	10558
Assurance sought that pupils participating in the pilot program will have their grades accepted by any post-secondary educational institutions. Mr. Rowe, Mr. House.	10559
Query as to differences between the certificate received by pupils in the pilot program and those who write regular examinations. Mr. Rowe, Mr. House.	10560
Vandalism in St. John's. Mr. Nolan, Mr. Hickman.	10560

Oral Questions (continued)

Query as to the RCMP policing communities. Mr. Nolan, Mr. Hickman.	10562
Query as to ministerial awareness that people are failing to even report acts of vandalism. Mr. Nolan, Mr. Hickman.	10563
Role of the RCMP in local policing. Mr. Smallwood, Mr. Hickman.	10566

Orders of the Day

Second reading

Bill No. 71 (continued)	10572
Read a second time, ordered referred to a Committee of the Whole House.	10583
Bill No. 63	10584
Bill No. 88	10625

Debate on the Adjournment

Provision by Government of proper waste disposal units throughout the Province.	10649
Mr. Callan	10649
Mr. Peckford	10651
The House rose at 6:00 P.M.	10653
The House resumed at 8:00 P.M.	10654

Second reading

Bill No. 80	10654
Bill No. 85	10662
Bill No. 50	10668
Bill No. 51	10707
Bill No. 52	10714
Bill No. 78	10719
Bill No. 90	10770
Bill No. 69	10787
Bill No. 65	10846
Bill No. 91	10856
Bill No. 74	10867
Bill No. 79	10873
Bill No. 84	10875
Bill No. 81	10881
Bill No. 83	10882
Motion 2 (The <u>San Juan</u> resolution), carried.	10882

Committee of the Whole

The Committee reported Bills Nos. 50, 63, 65, 71, 85, 91, and 90 with amendment; and Bills Nos. 51, 52, 74, 69, 78, 79 84, 81, 73, 80 and 88 without amendment.	10889
---	-------

The Bills were read a third time, ordered passed and their titles to be as on the Order Paper.	10889
---	-------

Adjournment	10891
-------------	-------