

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
10:00 a.m. - 1:00 p.m.
FRIDAY, MAY 5, 1978

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

I would like to welcome to the House of Assembly Mr. Lloyd Morgan, who is Vice-President of Lions International, from Lower Hutt, New Zealand. Mr. Morgan is accompanied by the Newfoundland District Governor, Mr. Cal Reynolds.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: I would also like to welcome to the House of Assembly on behalf of all hon. members fifty Grade IX students from Grant Collegiate in Springdale accompanied by members of the staff, Mr. Harold Tremblett, Shelia Drover, Mr. Barry Jackman, and Mr. Joe Wells.

SOME HON. MEMBERS: Hear, hear!

STATEMENTS BY MINISTERS

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: Mr. Speaker, I wish to announce that the Province is presently negotiating a U.S. dollar bond issue in the European market. It is anticipated that the issue will be for \$50 million (U.S.) and as such it will be one of the largest the Province has ever floated outside of North America. Present indications from the investment community are that the issue is being very well received. It is also anticipated that the issue will be priced at 9.25 per cent, and that it will mature in 1990. Final negotiations with regard to the issue terms will be carried out in Paris on Tuesday, May 9, 1978.

The issue has been arranged through our European Syndicate which is headed by the Province's lead managers in the Euro market, Credit Commercial de France and A.E. Ames and Company Limited.

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

MR. SIMMONS: Mr. Speaker, just a word or two on the minister's announcement. It is very difficult to react in any substance when you just heard the item. The question I had for the minister, it was raised here in the House earlier, the question of what is happening as a result of the currency fluctuation, particularly, the Canadian dollar? What is happening in terms of our commitments on American issues, for

Mr. Simmons: example, and on the European issues for that matter?

Perhaps the minister either now or later could take a moment to indicate that to us. And, also, a second question; we assume what he has announced today is part of the government's borrowing programme for this year, of course.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: It is improper for me to speak a second time on ministers' statements. Mr. Speaker. But the question that the hon. gentleman refers to is to the effect of the devaluation of the Canadian dollar vis-a-vis the America dollar, and then again the Canadian dollar vis-a-vis European currency as it relates to our various bond issues over the years is still being worked on in the Department of Finance, which means - I do not know if the hon. gentleman from St. John's East (Mr. Marshall) realized the amount of work he created, but it is in a good cause. They told me that hopefully by this time next week they will furnish me with all of the details so that I can make a proper statement to the House giving all of the details as it relates to the valuation of the dollar. They do not have it ready for me yet, and I am sure that hon. gentlemen will realize that is the kind of information that has to be very precise indeed.

ORAL QUESTIONS

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

MR. W. ROWE: Mr. Speaker, one or two questions for the Premier, all designed, Sir, I might say, to try and clear the air, and to come to the bottom of some of the gross allegations that have been made concerning this administration. Sir, with regard to the Carbonear Hospital, the building of the Carbonear Hospital, and the design of same, and the management fees in connection with the

MR. W.N. ROWE:

design and building of the Carbonear Hospital. As I understand it, Sir, the original estimate for construction of that hospital was somewhere around \$3,650,000 -

MR. NEARY:

It was announced, yes.

MR. W.N. ROWE:

- as announced at the beginning, if I remember correctly and if my figures are correct. I stand to be corrected, Sir, but I believe I am at least within the range. Now I do not think it has been announced but I have heard information from various sources that the revised cost, the actual cost of that building may have been in the area of \$2,400,000 -

MR. NEARY:

And the actual completion cost was more.

MR. W.N. ROWE:

- and perhaps the completion cost was even more than that, Mr. Speaker. Now these are serious matters, serious allegations a very serious situation. First of all I would like to ask the hon. the Premier whether he can confirm or deny what I have just said, if I am in the ballpark at all on this matter or whether the information I have is totally wrong and erroneous, whether in fact perhaps the \$3 million or so original figure was in fact the figure that the building was completed for? Can you give me some information on that?

MR. SPEAKER:

The hon. the Premier.

PREMIER MORFES:

Well, Mr. Speaker, as I said in the House the other day, and my colleague the Minister of Public Works and Services (Mr. Doody) can talk on this as well, that department is preparing a full statement on the consultants and the methodology of coming to an agreement with the consultants both in Carbonear and on the Health Sciences Complex, that is not ready as yet.

Regarding the \$3.6 million, I never heard a figure that low at any times. That may have been at one of the two sad turning periods in the history of the Carbonear Hospital. But I think the lowest figure I have ever heard regarding the Carbonear Hospital was when the

PREMIER MOORES: first plans were done to get an estimate of what it would cost, and if I remember the figure correctly I think it somewhere around \$10 million for cost. And I might say that the Carbonear Hospital was much greater than \$10 million to \$12 million and certainly, whilst I do not have the accurate figure, the original cost estimate was much higher than the Leader of the Opposition mentioned. Certainly the cost was much higher than the final cost he mentioned and certainly these two figures we can get accurately for them.

MR. W.N. ROWE: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. W.N. ROWE: I must say, Sir, in the light of all that has gone on, the allegations, perhaps allegations of criminality, bordering on criminality, certainly impropriety, I do not think it is good enough for the people of this Province or for this House to merely accept a ministerial-not a ministerial but a departmental statement of cost and figures on this matter. Would not the Premier agree that in the light of the allegations made by this man Davidson and other people, the questions that have been asked in this House, Sir, that the only way to clear the air in this matter is to have a public inquiry into the building of the Carbonear Hospital, all matters pertaining thereto including allegations of kickbacks, allegations of arm-twisting for political donations, tremendous cost overruns, highly inflated costs at the end compared to what was estimated at the beginning? Would not a public inquiry clear the air and at the same time, Sir, re-establish hopefully the reputations of ministers who may have been implicated by allegations?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Two things, Mr. Speaker; first of all, there is a criminal investigation underway by the RCMP which hopefully will expose any wrongdoings by anybody. These allegations are just that, allegations, and I would suggest, Sir, that if every capital project that this government or any other government during

PREMIER NOOPES: the past seven or eight years, during the time of wicked inflation, if we had to have a public inquiry for every estimate that did not come in on target, that was inflated, we would have even more public inquiries than the Leader of the Opposition would like us to appoint anyway.

MR. W.M. POPE: A supplementary, Sir.

MR. SPEAKER: A supplementary.

MR. W.M. POPE: Well, Sir, I doubt if even in this time of rampant inflation whether too many costs went up by 100 or 200 per cent or whatever the case may be together with allegations of impropriety and wrongdoing and kickbacks and political party finagling, Sir. That is the reason why we should have a public inquiry. Now, Sir, let me ask the Premier this with regard to the firm I believe called Maritime Power Consultants, the allegation has been made by Mr. Davidson that in return for his signing a paper that the Premier of the Province had no personal knowledge of payments to the Party Finance Chairman who I think was designated by Mr. Joyce in one of the papers 'bagman', the Premier had no personal to Mr. Greene, the Finance Chairman of the

MR. W. N. ROWE:

P.C. Party, this Maritime Power Consultants would immediately get a \$10,000 retainer fee and so much work that they would not be able to cope with it. Now, will the Premier inform the House, Sir, whether he has any personal or indirect knowledge of such an event having taken place, a signing by Davidson that the Premier of the Province had no knowledge of such payments having been made to the P.C. Party in return for this Maritime Power Consultants getting a high retainer fee and so much work that they could not cope with it?

MR. SPEAKER:

The hon. the Premier.

PREMIER MOORES:

First of all, Mr. Speaker, as I said before, this is the sort of allegation that is under active police investigation and if there is any wrongdoing there it will be exposed and the people who are guilty will be prosecuted irrespective of who they may be, and that is the way it should be.

I might say that I know of no commitment to Maritime Power Consultants, which I understand to be Mr. Davidson. The so-called promise that he would be given so much work he would not know what to do with it, I think, Sir, that the record speaks for itself in that regard.

MR. W. N. ROWE:

I guess the payment was not made.

A supplementary, Sir.

MR. SPEAKER:

A supplementary, the original questioner.

MR. W. N. ROWE:

Will the Premier inform the House whether in fact he has in his possession a paper or a letter signed by Mr. Davidson to the effect that the

MR. W. N. ROWE: Premier had no knowledge of payments having been made to the party bagman, Mr. Greene?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I do not have such a letter in my possession, Mr. Speaker.

MR. W. N. ROWE: Another supplementary, Sir, if my colleague does not mind.

MR. SPEAKER: A supplementary, the original questioner.

MR. W. N. ROWE: Will the Premier inform the House whether such a paper, document, letter exists now or ever existed to his knowledge?

MR. NEARY: Signed by Davidson.

MR. W. N. ROWE: Signed by Mr. Davidson.

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Any papers I know of are in the hands of the police, Mr. Speaker, and they are the best ones to deal with it.

MR. NEARY: But he said there was none.

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

MR. W. N. ROWE: Sorry, Sir, if I may pursue this if my colleague does not mind.

MR. SPEAKER: The hon. gentleman yields?
Yes, Mr. Speaker.

MR. W. N. ROWE: That seemed to be a bit of an ambiguous, equivocal statement to say the least, Sir. Is there or was there or was there not in existence, or is there or is there not in existence a paper, whether it is in the possession of the police or not, signed by Mr. Davidson to the effect that the Premier had no personal knowledge of payments made to the P.C. Party collector?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, there are lots of things of interest to the Leader of the Opposition. I would

PREMIER MOORES: suggest that the affairs of the P.C. Party is not one of them, only as far as if there is any criminality, And if there is, the police, I am sure, will find it as they would in the Liberal Party or as they may do in any party or with any individuals in any party.

MR. W. N. ROWE: Sir, he is obviously not going to answer the question 'yes' or 'no' so one is left to draw one's own conclusions, unfortunately. Sir, the actions of the P.C. Party, the Liberal Party or any other party are of great importance to any political figure in this Province if they are involved in any shenanigans which may have defrauded the public of the best possible deal that they might have gotten in a particular contract, Sir. So in that way the P.C. Party, although I am not interested usually in their goings on I am certainly interested in that aspect of it. If the Premier will not answer it, Sir, let us see if he will answer this question. It is alleged by Mr. Davidson that the party collector, the party bagman, Mr. Greene collected contributions not only from companies who already had contracts let by the government but from companies on the basis of work to be promised in the future. Will the Premier inform the House whether he, personally, directly or indirectly has heard tell of instances where companies contributed to his particular party, or any member thereof for that matter, on the basis of promised work to the firm which made the particular contribution?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: The answer is no, Mr. Speaker.

MR. WHITE: Mr. Speaker.

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

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MR. W.M. ROUE:

allowed.

Mr. Speaker, if I may be

MR. SPEAKER:

Will the hon. gentleman yield?

MR. WHITE:

Yes, Mr. Speaker.

MR. W.M. ROUE:

I am sure my colleague does not mind.

MR. MORGAN:

We will show them today.

MR. HICKMAN:

Ah! Hazel is gone.

MR. W.M. ROUE:

Would the Premier indicate,

Sir, to the House whether he has any personal or indirect knowledge of situations where firms during this period of time with regard to Scrivener, with regard to the Health Sciences Centre or Carbonear hospital, whether firms were encouraged by him or by any of his colleagues or by the party collector to put in low bids on the assurance that as the job progressed that particular firm would be given extras from which they could recoup the money and profits which they would have had if they had put in a higher bid?

MR. SPEAKER:

The hon. the Premier.

PREMIER MOORES: Absolutely not, Mr. Speaker.

MR. WHITE: A supplementary, Mr. Speaker.

MR. SPEAKER: Hon. member for Lewisporte.

MR. WHITE: Mr. Speaker, my supplementary is to the Minister of Labour and Manpower and it deals with a question that was asked the minister in the House a couple of days ago concerning allegations made by Mr. Davidson in his television programme in reference to the minister's name. The minister said that he was going to check the transcripts of the tapes and then tell the House about that. I wonder if he has had a chance to do that?

MR. SPEAKER: The hon. minister.

MR. ROUSSEAU: Yes, I have, Mr. Speaker, and what I said that day in the House still stands.

MR. WHITE: A supplementary.

MR. SPEAKER: A supplementary.

MR. WHITE: Mr. Speaker, the minister is telling us now that he has no knowledge of any meetings with Mr. Davidson with respect to a letter that would be signed by the Premier? Can he clear up this for us?

MR. SPEAKER: Hon. minister.

MR. ROUSSEAU: That is correct. It is not that I did not have meetings, I was in contact with Mr. Davidson but never on the - the question that was asked me the other day by the hon. the member for LaPoile (Mr. Neary), I did not threaten in any way in which Mr. Davidson suggested in respect to any letter.

MR. W. ROWE: A supplementary, Sir.

MR. SPEAKER: A supplementary.

MR. W. ROWE: I would like to revert back, Sir, to a question I asked the Premier. I ask him whether he had knowledge of companies being encouraged to submit low bids on the assurance that they would be given extras later on and the Premier said absolutely

MR. W.N. ROWE: not. Well, will the Premier inform the House, Sir, whether to his knowledge or to the knowledge of his administration firms such as Noel's Electrical, I believe is one of them -

MR. NEARY: Becker.

MR. W.N. ROWE: Becker was another one, were in fact given substantial amounts of extras of any jobs involving these two projects, especially the Health Sciences Center with particular regard to that structure, whether they in fact got substantial extras on their contracts?

PREMIER MOORES: I have no idea, Mr. Speaker. I have never heard of Becker, by the way, but I am sure they were active if the Leader of the Opposition says so. But I have no idea who got extras or who did not get extras or why they got them or if they got them, but certainly once again in the Department of Public Works report on this we can certainly find out.

MR. W.N. ROWE: A supplementary, Sir.

MR. NEARY: -If Your Honour would not mind.

MR. SPEAKER: A supplementary.

MR. W. ROWE: These are serious matters. Mr. Speaker, Does the Premier not agree - this may or may not be criminality, The police may not dig up anything which is criminal in nature but if these things are in fact as alleged, Mr. Speaker, we are certainly bordering if not on criminality then on gross and grave irregularity, mismanagement, negligence perhaps, perhaps skulduggery of some sort which may skirt the criminal law but certainly should come out. Now would the Premier not agree that if there is any germ of truth to some of these allegations whatsoever, that there should be a public enquiry to get to the bottom of it if for no other reason but to clear the names of the Premier and his colleagues and other people, including Mr. Greene, for example, who may have been involved? Should we not have a public enquiry on these matters?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: I have already said, Mr. Speaker, the answer is

PREMIER MOORES: no, we have a police enquiry. I have also said to this hon. House this morning, maybe the Leader of the Opposition has a hearing problem, that the Department of Public Works and Services will gladly prepare all the information that is being requested. To ask me what extras a firm got on the Health Sciences Complex is about as inane as you can possibly get. How would I know what extras any singular firm got in any project of that nature? I said that the Public Works Department would get this information, will supply it to the House, will supply it in such terms as can even be understood by the Leader of the Opposition and we will do it as quickly as possible.

MR.W. ROWE: A supplementary, Sir.

MR. SPEAKER: Leader of the Opposition.

MR.W. ROWE: Maybe inane to the Premier, Sir, is not inane to me. If a company or companies have been involved in any kind of skulduggery involving the public funds, and if the government has been involved in the same it is not inane, Sir, it is important and that is why there should be a public enquiry. Sir, one would have thought that the Premier of the Province, once these things became public, would make a special effort to try and get to the bottom of it and find out. Obviously he has made no effort whatsoever.

But, Sir, let me ask the Premier this, the allegation is made, by Mr. Davidson again, that he paid or Scrivener paid, I forget now the detail, he or the company, Scrivener, paid bills and the rent of apartments of senior ministers when they were in St. John's. I believe he made particular reference to Elizabeth Towers in that regard.

AN HON. MEMBER: No. No.

MR.W. ROWE: Okay. It was not Elizabeth Towers. But they paid the rent and some of the expenses of senior ministers when they were in the St. John's area. Will the Premier indicate to the

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Tape No. 1874

AM-4

MR. H.N. ROBE:

knowledge of this -

House whether in fact he has any

MR. NEARY:

Or looked into it.

MR. H.N. ROBE:

- or whether he has looked into this serious allegation or whether anyone else in the government has looked into this serious allegation? Does he have any knowledge of it? Can he set the minds of the House at ease on this matter?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Yes, Mr. Speaker, not to my knowledge, and I did talk with the ministers that could be involved some two years ago when this crazy affidavit, which seems to be the background and research for the Leader of the Opposition which he is obviously so convinced that these allegations are correct, he is obviously totally on the side with Mr. Davidson's on this. I am amazed this morning, Sir, that he has not asked us to appeal to the Supreme Court of Canada to try to get Mr. Doyle's \$2 million income tax back.

MR. NEARY: What has that got to do with the Health Sciences Complex?

MR. W. ROWE: A supplementary, Sir.

MR. SPEAKER: A supplementary.

MR. W. ROWE: One final supplementary.

MR. NEARY: Your dirt is not going to get you out of this one 'Frankie Baby'.

MR. SPEAKER: Order, please!

MR. W. ROWE: The fact that the Premier seems to be so willing to drag red herrings over this is enough to raise one's suspicions in itself.

SOME HON. MEMBERS: Hear, hear!

MR. W. ROWE: His failure or his unwillingness to deal with the crucial issues in this matter, Sir, and to drag this red herring over it certainly prompts me to continue this probe, Sir, in the hope that a Commission of Enquiry might be set up. Will the Premier tell us, Sir, this allegation by Mr. Davidson that some \$6,000 which was designated for somebody's pleasure apparently, a pleasure trip, but which was apparently as alleged used by the Party Finance Chairman to purchase an Electra Buick automobile, can the Premier tell us if there is any substance to this to his knowledge? Or if this is wrong what is the true situation with regard to that particular contribution?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I would suggest, Mr. Speaker, that that question would be more properly directed to the Finance Chairman of the Party. Certainly I can say that I have never received any money for any personal reason from the Party for that nature. I can also say that that is one of the allegations I would think that the police would have to clear one way or the other. I would think any direct allegation of that sort would, of course, be for a police investigation.

I am amazed, Sir, that the Leader of the Opposition is going through that document, section by section, just to make political points in this House. And I am sorry, that is exactly what he is doing.

SOME HON. MEMBERS: Oh, oh!

PREMIER MOORES: I find it incredible.

SOME HON. MEMBERS: Shame! Shame!

MR. NEARY: Go down and resign!

MR. W. ROWE: A supplementary, Sir.

MR. SPEAKER: A supplementary.

MR. W. ROWE: Sir, I could have risen on a point of order, Sir. The imputation of improper or any motives at all to me, as a member of this House, is completely out of order, Sir.

SOME HON. MEMBERS: Oh, oh!

MR. W. ROWE: I am not going to bother with it because I realize the Premier is testy, upset, and certainly obviously physically overwrought here because of these questions, Sir. I mean is the Premier the Leader of the P.C. Party or not? When an allegation of gross impropriety comes to his attention concerning the use, perhaps misuse of party funds, does not the Premier investigate it or look into it? On this \$6,000 the allegation is that it was apparently misappropriated and an automobile bought out of the money. Now mind you, the original appropriation did not appear from this allegation to be the most proper. Apparently a number of people were suppose to go off on a little pleasure trip to the Mediterranean on that amount

Mr. W. Rowe: of money. Now whether they went on this or not -

MR. NEARY: Yes, they did.

MR. W. ROWE: - is something for perhaps a public enquiry to determine, a public enquiry, Sir, because there may not be anything criminal about it. But, Sir, there is certainly things improper about it, if these allegations are correct.

Now I ask the Premier again not to skirt around the issues, but perhaps give us a little information on this. And I ask him as my final supplementary, Sir, in the light of all of these allegations, some of which seem to be confirmed from outside sources, Mr. White's letter, which he went on television and said was correct and not written in an alcoholic or a drugged stupor as apparently somebody tried to get to the press and succeeded in getting to the press, Sir, confirmed in very material particular some of these allegations which have been made. That is why we are trying to get to the bottom of it. So will the Premier, please, inform the House again whether in the light of all these allegations which, Sir, if one is correct, if one of the allegations is correct, Sir, there should be a public enquiry so that the people of this Province can know what has been going on, and can see what has happened with regard to large amounts of public money in this Province over the past six years.

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, first of all, there was nothing regarding the expenditure of public money that is not or cannot be fully investigated by officials in the department, by police if there is any criminality, and by officials in the Conservative Party, if it is there, or I would suggest officials in the Liberal Party if it was there. This sort of accusation the Leader of the Opposition is trying this morning, and this line of questioning, he knows full well that there is going to be a

PREMIER MOORES: thorough and absolute investigation. It may be, as a matter of fact, by the time it is finished, too thorough and too full as far as some people are concerned. But the fact is, Sir, that I do not think there is any question whatsoever, but with a police investigation, with the proper officials researching the information that he has requested which involves public funds, with that information made available to the House, with a thorough police investigation and with the Conservative Party looking after its affairs, and I suggest, the Liberal Party theirs, I think, Sir, that will cover any aspect of this particular discussion.

AN HON. MEMBER: Hear, hear!

MR. WHITE: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary.

MR. WHITE: My supplementary is to the Minister of Labour and Manpower, Mr. Speaker, and I just want to clear up this point - it was not cleared up very well in the last two supplementaries that were asked - and I just wonder if the minister could tell us whether or not this particular letter that is alleged to have been signed by Mr. Davidson, did this ever come to the minister's attention at all? Did it ever come to the minister's attention before the T.V. programme the other night? If it did, when did it? And was it ever the subject of a discussion with Mr. Davidson or did it ever come up in a talk or discussion with Mr. Davidson?

MR. ROUSSEAU: As I mentioned, Mr. Speaker, the other night, I have heard about the letter, under what circumstances I do not know. As far as discussion with Mr. Davidson in respect to the letter, not to my recall. I have heard of allegations of the letter. I do not know

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Tape 1876

EC - 2

MR. ROUSSEAU: where the allegations came from. That was a few years ago.

MR. WHITE: Did you ever have discussions with
(inaudible)

MR. ROUSSEAU: Not to my knowledge.

MR. NEARY: (Inaudible) where he heard about the letter. Did he hear about it from the Premier or some other source?

MR. ROUSSEAU: This is what I am saying. I remember something about a letter from Mr. Davidson. I do not recall where it came from.

MR. NEARY: But the Premier told us there a half hour ago he did not have one.

MR. ROUSSEAU: You know, it could have been somebody saying it in the House, I do not know, but I seem to recall somebody saying something about a purported letter. It might have been in the House and it might have been the hon. member, I do not know.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEARY: Mr. Speaker, when the hon. gentleman was Minister of Public Works did he have occasion at any time to discuss various projects like bridges and so forth around the Province with Mr. Davidson, any work for Mr. Davidson's company?

MR. SPEAKER: The hon. the Minister of Labour and Manpower.

MR. ROUSSEAU: The only project I recall, Mr. Speaker, at the time, was the Conne River Bridge when I was Minister of Highways for which Mr. Davidson received no money.

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

MR. SPEAKER: A supplementary.

MR. NEARY: Perhaps the Premier might want to answer this one, or the Minister of Fisheries.

Mr. Davidson was paid \$5,000 for a project called the Grimsby project. Would somebody indicate who authorized this project with Mr. Davidson? Was it the Minister of Public Works at that time? Was it the hon. the Premier? Who authorized the Grimsby project?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I am checking it, Sir, with the Planning and Priorities Secretariat which is basically under my office.

AN HON. MEMBER: Planning and Priorities.

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

MR. SIMMONS: On a different subject altogether, Mr. Speaker, I want to direct a question to the Minister of Finance. It relates to the matter contained in his ministerial statement earlier today in the House. The specific question I want to put to him relates to the matter of debt retirement by the Province, repayment of loans, etc., and specifically the matter of the additional costs which are accruing because of the currency fluctuations and the devaluation of the Canadian dollar. I realize, as he said, that getting these figures within his department must represent a fairly intricate and complicated task. I was a bit surprised, Mr. Speaker, if I may preface for a sentence, a bit surprised at the Finance Department. If I interpret the minister correctly, the Finance Department is not geared to insure that the Province's payables are up-to-date and accurate. And it puzzles me, because I cannot see how else the Province can know what its total liabilities are at any point in time.

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Tape 1976

EC - 4

MR. SIMMONS: My question to the minister:
Is there some particular reason why an accurate total of
the Province's payables is not in existence in the
Department of Finance at this particular time? Is it a
staff shortage or is it the unusual fluctuation of the
dollar at this particular time?

MR. SPEAKER: The hon. the Minister of Finance.

MR. HICKMAN: I have just answered the question.
Will you please go over and tell the hon. the member for
Baie d'Espoir.

Mr. Speaker, let us not confuse
the two issues. Number one, let me say that the Department
of Finance has a very strong and, I think, adequate

MR. HICKMAN:

staff now. I am sure we could still use more - who could not? - but it is an exceptionally well organized Department of Finance and I would put it up against any Canadian Department of Finance right now, staffed by highly trained, professional chartered accountants and others.

Of course, you know, there is no trouble for them to get me the information on the amount of the payables and keeping them up to date. That is not what we have been asked to get. What we have been asked to get by the hon. member for St. John's East (Mr. Marshall) is the cost of each individual issue, as I understand it, as it relates as a result of the devaluation of the dollar. That is what is taking the time. And that was the question that was asked me by the member for St. John's East. And that is why I will not have it until next week. With respect to this particular issue, the indications are that it is going not only very well but -

MR. SIMMONS: You are missing the whole point.

MR. HICKMAN: Well, if I am missing the whole point I will certainly be prepared to start all over again.

MR. SIMMONS: (Inaudible).

MR. HICKMAN: May I finish this first?

MR. SIMMONS: If he is answering the question he may, Mr. Speaker.

MR. HICKMAN: With the -

MR. SIMMONS: No! On a point of order, Mr. Speaker. I have sat here now for several days and watched the Minister of Justice abysmally abuse the Question Period, with long lectures on not very related subjects. Now the question I asked the minister was very specific, Mr. Speaker, it was not how well the bond issue is going that he announced this morning. It was not when he was going to give an answer to the member for St. John's East (Mr. Marshall). I did not ask any of this. I asked a question. Here is the question. The question is, is there some particular reason why an accurate

MR. SIMMONS: total of the Province's payable is not in existence in the Department of Finance? Now the question presumes that it is not in existence so the most the minister can do is take the liberty to tell me that there is a wrong presumption in my question, that it is in existence already. I do not think it is. But otherwise if it is not in existence, then the answer would require that he give me the reason why it is not. And that has nothing to do with the bond issue, I submit, Mr. Speaker, whatsoever, and he is straying from the answer and abusing the Question Period.

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

MR. PECKFORD: Mr. Speaker, obviously that is not a point of order. The hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) perceives or disagrees with the kind of answers that are being given by the House Leader.

MR. SIMMONS: That is right.

MR. PECKFORD: He disagrees with him. It is a difference of opinion between two hon. members. And talking about the abuse of the Question Period, Mr. Speaker, let it be recorded that the Leader of the Opposition and most hon. members on the other side, but especially the Leader of the Opposition (Mr. W. Rowe) -

MR. SIMMONS: Make the point of order now.

MR. F. WHITE: Talk to the point of order.

MR. PECKFORD: - has from time to time, today and on other days during the Question Period, made observations and comments, lengthy as to answers that were given to questions rather than just asking questions. So if we are going to get into the question of abuse of the Question Period, Mr. Speaker, there is blame on both sides.

MR. NEARY: Mr. Speaker.

MR. SPEAKER: On the point of order?

MR. NEARY: No, Sir.

MR. SPEAKER: No. Well there is a point of order before the Chair which -

MR. NOLAN: I want to speak on the point of order, Mr. Speaker.

MR. SPEAKER: I will hear the hon. gentleman.

MR. NOLAN: I rise on the point of order because what my hon. friend states in reference to the hon. House Leader opposite is quite correct and everyone who attends this House in any capacity notices it.

The hon. member opposite, the hon. Minister of Justice, whether it is on a question of Justice or anything else in this Province, if that gentleman were reading his grocery list he would make it look like tablets of stone coming down from the mountain. And we are fed up with it and he is abusing his right.

MR. SPEAKER: Order, please! Order, please!
The hon. Minister of Justice.

MR. HICKMAN: To that point of order, and that vicious, unprovoked, uncalled for attack that has been thrust upon me by the hon. the member for Conception Bay South (Mr. Nolan). I have got a very solemn responsibility that I find so difficult to discharge because I have to spell it out in baby talk so that the hon. gentlemen opposite can understand what I am saying. Because right now I am faced with a question by the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons), that I am sure he has not the slightest comprehension as to what it all means. So I have to go back and explain it to him. But I will continue on as soon as Your Honour rules on the validity of this point of order which I am sure is not a point of order.

MR. SPEAKER: Order, please! The essential allegation of the point of order was that the Minister of Justice was out of order in the nature of his answer. I really cannot sustain that at this time. Hon. members might disagree with the way he answered

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NM - 4

MR. SPEAKER: the question or began to answer it or his way of going about it, but I cannot say that he is out of order, I cannot say that.

ORDERS OF THE DAY:

MR. SIMMONS: Is the Minister going to answer the question?

MR. SPEAKER: Time is up.

On motion, that the House resolve itself into Committee of the Whole, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN:

Order, please!

A bill, "An Act To Empower The St. John's Municipal Council To Raise A Loan For Municipal Purposes By The Issue Of Bonds," (Bill No. 4).

On motion, Clauses (1) through (9), carried.

MR. WHITE:

Mr. Chairman, Clause (10).

MR. CHAIRMAN:

The hon. the member for Lewisporte.

MR. WHITE:

Mr. Chairman, I do not know if the minister has any details on this or not, or maybe it is totally the responsibility of the City, but maybe the minister could enlarge on the situation with respect to the City's indebtedness in terms of the dollar going down in the United States. What kind of effect is it having on the City of St. John's and its ability to raise money?

MR. DINN:

Mr. Chairman, that, I would imagine, would require quite a detailed response and I could ask the City, but I do not know if they have any obligation at all to tell me, as they do not come under the Municipal Affairs and Housing Act. With respect to the City I am a messenger and if they give me their budget at the end of the year and they come in and they ask that the bill go through the House for \$10 million in loans and for looking after sinking funds and so on - set up sinking funds - and I would have no idea.

On motion, Clauses (10) and (11), carried.

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

Bill No. 13.

A bill, "An Act Respecting Unfair And Unconscionable Trade Practices," (Bill No. 13).

On motion, Clauses (1) through (7), carried.

MR. WHITE:

Mr. Chairman, Clause (8).

MR. CHAIRMAN:

The hon. the member for Lewisporte.

MR. WHITE:

The Minister of Consumer Affairs and Environment is not here, but I wonder if the Minister of Justice, the Government House Leader, could indicate when this new director to carry out the positions in this 'Unconscionable Trade Practices Act' will be hired? Will he be hired right away?

MR. HICKMAN:

I speak subject to correction, because I am sure the hon. the Minister of Consumer Affairs answered this yesterday. I heard the tail end of his answer and my recollection was he said that after the Act becomes law then the Public Service Commission will be asked to advertise, following which the man or woman will be appointed.

On motion, Clauses (8) through (22), carried.

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

Bill No. 14.

A bill, "An Act To Amend The St. John's Housing Corporation Act," (Bill No. 14).

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

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

A bill; "An Act To Amend The Industrial Standards Act." (Bill No.3)

On motion clause (1) carried.

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

A bill; "An Act To Authorize An Impost Upon Certain Mineral Holdings In The Province." (Bill No.5)

On motion clause (1) carried.

MR. STRACHAN: Mr. Chairman.

MR. HICKMAN: If Section (2) would stand aside until the minister gets off the phone because there is an indication of a wrong word in there and he is checking it out. If we could go on to Section (3) and come back to No.(2).

MR. STRACHAN: I want to speak on a number of parts in Section (2).

MR. HICKMAN: Well here he is now.

MR. CHAIRMAN: Hon. member for Eagle River.

MR. STRACHAN: 2(a) of this Act. I wonder if the minister could explain to us the assessor appointed under this Act because I have heard some indications from some people. How is this tax assessed and how is it paid? Is the government going to collect it? How is the assessor appointed? I understand that in some cases for instance in large companies that many people may have pieces of land which could be assessed under this Act as I understand it, and are owners of land under this Act. I wonder how this assessment is made? Some people may not be informed of it or may not know about it. How is this tax collected?

MR. PECKFORD: Mr. Chairman on that point, I explained part of it last night. Under Sections 10 and 11 of the Act all the

MR. PECKFORD: companies and taxpayers so-called in Section 11 under this Act, they will contact them when this Act goes through, explain the situation as it relates to it and the various sections pointed out to them, that they will now be obligated to submit under Section 11 a full detailed statement of their name, their address, the amount of acreage they hold and the amount that therefore they will be entitled to pay or the amount of money they have spent on exploration expenses in it. It is in this way, through this way that the companies will be fully informed and will fully inform us. If the hon. gentleman is implying that some other tactics will be used which are less than proper - I know he does not mean illegal, but less than proper - it is done in consultation with the companies and we will be issuing them the proper format of forms to submit to us as prescribed under Section 11.

MR. STRACKAN: I wonder if the minister on the same point, assessor, are we only talking here of companies specifically involved in mineral exploration who hold title to land or hold concessions or whatever way it is to land for mineral exploration but is there a possibility that, for instance, people in the Province, individuals or small companies who hold small acreages for various other purposes but which gives the title to the mineral holdings for instance in the Province, is there a possibility they are obviously assessed under this Act? Are they also going to be informed or involved or are there many of them? Are there many people, for instance, who could find in a few years time that they hold land on which there is an assessment of tax which has not been paid and they may possibly lose that land in a forfeiture move.

MR. PECKFORD: No. There is no possibility of that. We have identified all the fee simple grants where you have individuals involved, and they total close to 200, and we have identified all the ownerships through Crown Lands and through ourselves and in many cases, as I pointed out last night, you cannot, there is no ownership

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MR. PECKFORD: and a lot of this land will revert back to the Crown under the Undeveloped Minerals Act. But where there is ownership and where it is identifiable these people will be contacted. The total amount by the way, in 1979 of the tax, taking all the individuals and all the fee simple grants, only amounts to \$4000, that is for the whole 200 and of that 200 most of the

MR. PECKFORD: ownerships are unknown and will revert back to the Crown in any case. Where they are identifiable they will be contacted.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: Could the minister indicate then whether there is any need for instance under this Act to impose a tax on these people, the few of them who are remaining then who own this land and who have mineral title to the land and obviously do not intend to do anything with it but at the same time they may hold the land for other purposes? Is there any need to assess anything at all against them? And referring back again to our sliding scale that we are possibly talking about, the same way as the sliding scale in the Petroleum Act, I wonder whether this would also come into being in this Act here.

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

MR. PECKFORD: It will not matter much in any case because, as I have indicated, the amounts payable will be small or none and the ownership question is such that most of the properties will revert back to the Crown.

So, the point, albeit valid and worthy of note, will not have any great effect upon any of the individual land owners who have fee simple grants. I mean, it just will not because you are talking about 200 and of those 200 there are only a few who that can identify, so that will eliminate completely really any taxes that particular individuals who have fee simple mining grants in any case.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: And 2(c) of the Act does "exempt mineral interest" And of course one needs to be to go down through some of things, one has to a lawyer to understand exactly what terms exactly mean in all the cases here. But I am wondering whether in the "exempt mineral interest" exactly how there is the

MR. STACHAN: relationship between this Act and the Petroleum and Natural Gas Act because as we envisage in many cases the Petroleum and Natural Gas Act is almost solely an Act dealing with petroleum and natural gases in a seabed we have almost become a fixation in this Province that it is in the sea. That can be of course on land in most cases are, obviously, known. Petroleum and oil naturally is on land usually. I wonder with relationship between this and article 2(c), the relationship between this Act as a Mineral Impost Act where it is going to be applied and what is the relationship between this and the petroleum regulations the minister brought in.

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

MR. PECKFORD: There is none. And all this simply clearly defines, because if you do not say it I guess silence would perhaps create the idea that there can be some application to it.

So therefore you have to specifically say, because I guess my learned colleague to my left would concur with this thing I am trying to get across, so that therefore you have to say it. That is the only reason I know. So that therefore there is nothing under this bill as it relates to imposing a tax upon people who have mineral holdings in the Province has no bearing whatsoever on permittees who are issued permits under the Petroleum and Natural Gas Act, none whatsoever. So it is completely separate completely different.

MR. CHAIRMAN: The hon. member for Fagle River.

MR. STACHAN: In other words, the minister is indicating here that this Act then as such as assessment and impost will be on concessions or the old concession system of rather than under the existing regulations which get away from the old concessions on to a more moderate and more applicable method of taxation

MR. PECKFORD: Precisely, exactly as it applies to the Petroleum and Natural Gas Act and also as it applies to The Mineral Act and The Quarry Materials Act because these are new Acts

MR. PECKFORD: that came in in 1976 which applied to areas of the Province which were not under concession and therefore in their normal provisions and rules and regulations are much the same and follow the relinquishing procedures and taxing policies that are now being applied to the concession areas.

MR. STRACHAN: Could the minister -

MR. PECKFORD: This streamlines all the land in the Province.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: Could the minister then indicate to us whether on land exactly what act will apply and under what regulations there will assessments under this section 2 here, assessments on petroleum, for instance, if it is there? There have been a number over the years of small, little strikes here and there. One never knows for instance whether there - Parsons Pond or various other places - whether there could be one is never sure, whether in Labrador there could be although it definitely looks unlikely at the moment, one is never sure! What is the relationship between them because as the Petroleum Regulations apply, they apply - again I am getting back to the argument of the sea and that whole question of the seabed whereas if something is on land exactly where would the regulations apply? Would it come under the Petroleum and Natural Gas Regulations or would it come under the Mineral Impost and exactly what is the relationship between the two?

Mr. Peckford: Up until now, as the hon. member knows, we have only called, and we have not called for permits in the first round offshore. And therefore anywhere like Parson's Pond and Port au Port areas where there have been mineral rights issued to companies who have done some drilling and have discovered small amounts of oil, they come under the Mineral Act. They come specifically under the Mineral Act, the new Mineral Act of 1976, unless otherwise exempted and unless otherwise under some concession area which we are now trying to eliminate through this Impost Bill.

So I do not know the specifics of it, but it will depend on what area of the Province it is, and whether it is on a concession area. If it is, then this Act will apply and you will have to pay taxes and relinquish, and as they relinquish then it comes under the Mineral Act. So one or the other applies. It is either concession now, for which this Impost Bill will have some affect, or it is not a concession area and therefore it comes naturally under the Mineral Act.

MR. STRACHAN: In other words, let me get this right, the minister is saying that a piece of land which is under a concession, an old concession whatever it is, that if that was relinquished it would then come under the Mineral Act passed last year, I believe, was it?

MR. PECKFORD: Right.

MR. STRACHAN: And if there is oil -

MR. PECKFORD: If it is not relinquished well then this Act stays into effect until such time as it is relinquished.

MR. STRACHAN: If it is not relinquished this Act will stay in effect effect.

MR. PECKFORD: Yes.

MR. STRACHAN: In other words our revenues possibly, if it stays - our revenues for many oil and gas on land will be tied to this Act here.

MR. PECKFORD: Until we get down the road to where we want to declare the Petroleum and Natural Gas Act as to apply.

MR. STRACHAN: Yes.

MR. PECKFORD: Which we are not interested in right now because the areas otherwise are more prospective.

MR. STRACHAN: Oh sure. It is purely hypothetical what I am arguing. It is really a hypothetical case because there has not been any real deep finds and so on. But I am interested in whether under such a situation the tax applied, in other words, are returns for any oil and gas exploration which would be on land would come under this Act would be in effect very, very low returns compared to whether returns are under oil and gas regulations, I mean, there is a difference of the concession.

MR. PECKFORD: Yes. I do not know because I do not know the exact provisions of The Mineral Act what the revenue would be as opposed to under the oil and gas regulations. You know, I would have to get that information for the hon. member. All I can say right now is that The Petroleum and Natural Gas Act and the regulations that are made under that Act apply in the first instance to areas that we have declared, which are the areas offshore, and that all of the land areas right now are either under The Mineral and Quarries Act or under concession agreement.

MR. STRACHAN: One last point on this one here. And I do not mean to be facetious, I am not throwing out a ridiculous case. But we talk about land, and it has always interested me, from a personal point of view, as to whether offshore islands, for instance, and Labrador is crowded with offshore islands, the banks on which drilling is occurring, there are a multitude of islands. In fact there are so many islands in many cases that the hydrographic charts the charts used by CN now show many of these islands to be three miles four miles out of place. Some waters in fact are very poorly charted.

What I am arguing here then is that if the oil and gas regulations apply specifically to seabed exploration, what is this situation vis-a-vis land, islands, small islands such as the

Mr. Strachan: Cocks and Hens, for instance, Bulldog Island, Jonathan Island, all of which are under Nain Bank, for instance - I know very well because I go out there duck hunting - what is the relationship of these islands? Should they at any time be regarded as a solution to some of the problems, and I am not suggesting that they are thinking of this at all, but should they be regarded as a solution, as a base, or a site for well drilling, you know, these islands, that the wells, in fact, instead of being in a seabed two miles off, or whatever it is, will use as a - and I do not know whether it is totally feasible at all, it is a thought in my head.

MR. PECKFORD: How do you mean used as a base?

MR. STRACHAN: What I am thinking, not as a base, not as a supply base or anything else. I mean actually the wells -

MR. PECKFORD: Actually drilling?

MR. STRACHAN: Actually drilling -

MR. PECKFORD: Okay.

MR. STRACHAN: - on these islands because there are many, many clusters of them all over the banks. And obviously if one hits a very large field or a fairly large pool of oil, then one would not need to consider sinking wellheads and tapping into it, or being considered with ice problems because one could use the islands virtually as your oil structure. I am wondering what relationship under this

MR. STRACHAN:

act these islands come under because obviously there is no title on them now. Nobody has anything on them now and I am wondering exactly whether they are in the blocks of concessions, they come underneath the oil and gas regulations and do the oil and gas regulations, which apply particularly to the seabed, do they apply to the island as well, and is the island regarded as seabed or could there possibly be an argument made by the companies that it would come underneath maybe this act here rather than that and therefore pay less revenues to the government because there is nothing to pay on this one?

MR. PECKFORD: It would not come under this act because there is no concession agreements, or long-term concessions entered into, or long-term mineral rights given on islands, so that is straightened away. This act does not apply at all, zero.

Number two, the regulations or the Petroleum Natural Gas Act does not apply either, I do not think, primarily because the areas that the companies are applying for do not include the islands and there is no prospective hydro-carbon resource based on their exploration activity to date to indicate that any islands are involved. So that it is just not practical to consider islands offshore as possible areas for drilling because the seismic work that the companies have done have indicated that the prospective areas are on the sea bed and our geological structure is on the sea bed. And the islands, which they have flown over too no doubt, as the hon. member says there are many of them, have not shown to have any anomalies to the degree that would lead the company to go in and drill on that island because it just does not seem to have any great prospective or any potential to it. So that is the reason.

But if in fact, to take the hypothetical case, a number of islands offshore, off the Island or off Labrador

MR. PECKFORD: did show up and some company applied for a permit to do drilling for oil and gas, then they come under the oil and gas regulations and under the Petroleum and Natural Gas Act. But there are no islands as of this date which so have been applied for for permits, or which show to have any interest to the companies for drilling or for offshore exploration.

MR. STRACHAN: I do not know why they do not. Obviously this bill has nothing to do with oil and gas regulations and I do not want to get involved in it. But I was trying to relate the content of this bill to oil and gas regulations. I do not intend to pursue this business of islands but I just wonder whether the minister would agree with me that it is highly unlikely, but there may possibly be. For instance, if one was in the Grand Banks and drilling on the Grand Banks, and the Virgin Rocks, you know, are not far beneath the surface of the water, in Labrador we have many shoals and lands which come up in small islands. Would the minister just inform me that if this did occur there would be some way of handling that kind of situation? That is all I am concerned about.

MR. PECKFORD: Yes, absolutely. They would come under the oil and gas regulations and would have to apply for a permit if they wanted to do any drilling or wanted to get involved in oil and gas. I think the hon. member realizes that the way the geological structures run, that they are identified as - all they are is that they will be under the seabed and from the seismic - it is just like a hill, take any hill and that hill is in under the floor of the ocean, it is just a hill that they can identify from seismic, with a dome kind of - it has the hill shape to it, the top and the sides going down. And what they have done to date, so they identify these structures through seismic work that are on the seabed or below the seabed and when they are identified then they cross over them a hundred times over and get

MR. STRACHAN: where the best anomalies are and then drill. And usually they drill on the top of the hill, if you will, in the centre of the geological structure.

Now the geological structure might be ten miles long and three miles wide, some of the largest geological structures in the world are off our coasts, like the Saudi Arabian structures, and that is how they have been done to date. So the question of islands and shoals and so on do not come into play because through the seismic work the companies have done they have not proved to have any potential for hydrocarbon reservoirs.

MR. CHAIRMAN: The hon. member for Windsor Buchans.

MR. FLIGHT: Thank you, Mr. Chairman.

I would like the minister to address himself to a couple of points I will raise here. Now I understand that most of the land that we are talking about, in as far as this impost act relates, will be land given to companies under concession for the right of exploration, How does the minister propose to deal with - let us take Price (Nfld.) for an example, when Price in this Province owns, I think, three categories of land; one I think is fee simple, one has got timber rights only, and they have got vast tracts of land where they

MR. FLIGHT:

have timber rights, water rights, mineral rights granted. The minister knows that the Buchans deposit was discovered in the first instance by the Price (Nfld) people cruising for timber limits. The minister says that if a company who holds land for concessionary purposes and do not explore then they will either pay or the land will revert back. How does he intend to apply this to the holdings of Price (Nfld) in as far as Price has the mineral rights, timber rights, the total rights to large tracts of land? For instance, you cannot take land back from Price (Nfld) simply because they are not exploring for minerals if in fact they own the land and own all rights to it, so that to me is germane. It would appear to me that Price (Nfld) will be able to sit on a lot of land for a long time in as far as mineralization is concerned.

MR. PECKFORD: What we do then, if they do not spend the money they are suppose to spend so that they can subtract from the tax that is going to apply to them because they are on of the concession holders, then they will loose their mineral rights. The hon. member is correct in saying that Price (Nfld) does have tracts of land on which they own outright every kind of right you can have to it - forestry, and as you say hydro power, you name it, they got it, it is an unbelievable situation. One of their concessions that I was reading last night when we were going through the principle of the bill, I mean it is just totally unbelievable, incredible. So what we do is we take away, take back the mineral rights; they have to relinquish their rights, number one, and number two, they have to allow any other company who applies for that mineral right the right to go in and explore for minerals.

MR. FLIGHT: Has the minister got all the legal -

MR. PECKFORD: So it is the right, not the land itself or ownership, it is the mineral right that will be taken back or which they will have to relinquish.

MR. FLIGHT: Has the minister got all the legal authority and all the legal advice he needs to guarantee this House that he can indeed do that with Price (Nfld) given the conditions under which they own those lands?

MR. PECKFORD: So I am told. This is why it has taken so long. We have had to change it on a number of occasions, by hon. colleague to my left, his people in Justice, our own people and other people in the field are convinced that we have the wherewithal and the legislative clout through this Act to do that kind of thing.

MR. NEARY: I hope you are right because I would like to see the rights revert.

MR. PECKFORD: I would too but I am pretty sure that -

MR. NEARY: (inaudible) like powder puffs over there.

MR. FLIGHT: Mr. Chairman.

MR. CHAIRMAN: Hon. member for Windsor-Buchans.

MR. FLIGHT: I agree with the hon. member for LaPoile (Mr. Neary). If it is put to the test I would imagine, having known what Price have done in this Province or the larger corporations when they pull in their lawyers to defend their cases, it will be very interesting to see what happens when you decide to take back a portion, take back a certain right of a whole lot of rights that Price (Nfld.) has got.

MR. HICKMAN: Before the hon. member says anything, he should read some of the court decisions. I do not think you will find that that is true. It is correct that corporations have very competent lawyers representing them, but do not overlook the fact that we have very competent judges.

MR. FLIGHT: To this point we have not been able to apply the forest management tax.

MR. NEARY: We may have competent lawyers but we do not have a competent minister.

MR. HICKMAN: The Minister of Justice does not become involved in civil cases.

MR. FLIGHT: At this stage I would remind the minister that you

MR. FLIGHT: have not been able to apply against Bowaters the land management tax whereby Bowaters for instance pays.

MR. PECKFORD: Says who?

MR. FLIGHT: Says the member.

MR. PECKFORD: Oh, I see. Alright.

MR. FLIGHT: Says the member -

MR. PECKFORD: Okay, Mr. Chairman, if the hon. member would like me to respond to that, the fact of the matter is that under our new mineral taxation act which came into effect which supercedes concession agreements to companies whereby they were only supposed to under those acts pay a certain rate to the Newfoundland Government that we have been able to, as I indicated during my estimates, to increase that over 400 per cent and to completely nullify previous agreements that were signed between the government and the companies at the time that the concession agreements were signed and that they have not challenged the validity of that legislation and have coughed it up.

MR. CHAIRMAN: The hon. member.

MR. FLIGHT: Mr. Chairman, I just want to use this on a comparative basis because I can visualize this province getting into one hassel with Price (Nfld) on - not on the land that they hold for concessions for mineral rights but on the land that they hold in this province, granted land, whereby they have all the rights, timber, water, under the water, in the air, over the land practically sewed up.

MR. PECKFORD: Right.

MR. FLIGHT: Now to use an example, we brought in a new land taxation act that was supposed to have applied to the paper companies whereby the paper companies that did not practice the proper management, and proper management as approved by the Department of Forestry or the Government of Newfoundland, would pay a high rate of tax.

MR. FLIGHT: And Bowaters, and the officials in Forestry admit, that in the vast, vast holdings of Bowaters, for instance, where there is no reforestation, where there is no land management going on over and above what ever went on, which is nil, that Bowaters is not paying that high tax because the Province has had no choice but to accept that there is good forest management going on anyway, which has the effect of letting the paper companies go on the way they always have gone the past fifty years, and has the effect of not having any revenue for the Province or any more control than we ever had.

So I am wondering in the case of companies such as Price who have the kinds of titles, the kinds of rights on certain blocks of land, if we might not find ourselves in the same position. However, that is long enough to go on that. The minister can assure the House, but it might come back to him one day when we get into a situation where we decide to attach some of Price's rights on this particular holding.

Now, Mr. Chairman, you get close to home again, the Buchans situation. The minister knows that there is a barite deposit in there - not a deposit as such, but as a result of fifty years of mining there are vast quantities of barite lying around the bogs everywhere as a result of the tailings from the ASARCO operations. And there have been tests done. The various companies have been doing some market research, but they have not shown at this point a desire to bring the barite into production, which would have the effect of creating roughly twenty jobs over as long a period as the barite would last, and I have been told that there are years and years of supply. How long, for instance, in this particular case - now they own it. We have to presume they own it; They mined the

MR. FLIGHT: original mineral and the barite came as a result - how long, for argument sake, the minister knowing that there is a potential industry in there that would employ twenty people - There is nothing more distracting than to be talking to a minister and have somebody else leaning across him, Mr. Chairman, and between the Speaker and the minister.

MR. NEARY: A point of order, Mr. Chairman.

MR. CHAIRMAN: A point of order has come up.

MR. NEARY: It is against the rules of this House, Sir, to get between a speaker and the Chairman and the minister that the hon. gentleman is addressing his question to. It is the height of ignorance, Sir. If it is not against the rules then it is the height of ignorance, and I ask Your Honour to let the hon. gentleman cross-examine the minister, Sir, as he is trying to do, without being interrupted by the Minister of Forestry and Agriculture.

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please! Order, please!
It is my information that one should not pass between the Chair and the member who has the floor.

The hon. the member for
Windsor - Buchans.

MR. FLIGHT: I would like the minister now when he gets up to address himself to the barite situation in Buchans. He knows there is a potential of, at least I have been told, twenty jobs. The supply of barite in Buchans is apparently unlimited - not totally unlimited, but there is no question of a long life expectancy for a barite operation. ASARCO or Price (Nfld.) Limited owns it to the extent that they mined the original ores from which the barite came. There is a market - all the oil drilling rigs.

MR. FLIGHT: So I wonder if the minister would indicate, number one, if his department has done any research on markets for barite, bearing in mind the job potential? And how long, for argument sake - this is a unique situation - how long is he prepared to allow Price or ASARCO to sit on those barite deposits before he would authorize some other company to come in who is in the barite production business and salvage and market that barite? I am not sure the minister understands the relationship between ASARCO and Price (Nfld.) Limited. He made a statement a couple of days ago that I question. He indicated that Price (Nfld.) was funding the exploration in the Buchans area totally, and my information is that is not right, Sir. My information is that it is still a fifty/fifty deal on the cost of exploration, that ASARCO can veto the exploration on certain holdings in the Buchans area, particularly around the twenty-five mile circle of the mines, that ASARCO can veto.

MR. PECKFORD: If you are going to get into the detail, yes, there are certain areas that ASARCO can veto. You have to -

MR. FLIGHT: Right, and ASARCO is funding whatever dollars that Price (Nfld.) - because the only amount of exploration Price is doing is in the immediate Buchans area at this stage, and ASARCO is funding 50 per cent of that exploration. We will just have to hold off, I guess, while the minister is out.

MR. F. ROWE: Can we just hold off and discuss something else while the minister is out?

MR. NEARY: I move, Mr. Chairman, that we lay the bill on the table of the House until the minister gets the information and go on to the next item of business.

MR. HICKMAN: Sir, the hon. gentleman is still on his feet.

MR. NEARY: No. No. I have made a motion.

MR. HICKMAN: Mr. Chairman, the hon. gentleman from Windsor - Buchans (Mr. Flight) was still standing and obviously had given no indication to yield and was awaiting for the hon. Minister of Mines and Energy to come in here to -

MR. NEARY: Mr. Chairman.

MR. CHAIRMAN: Order, please!

MR. NEARY: I would like to draw Your Honour's attention, There is no quorum in the House.

MR. CHAIRMAN: Order, please!

I would ask the Clerk to count the Committee.

A quorum is present.

The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, a point of order, Sir.

MR. CHAIRMAN: Mr. Chairman, when a quorum was called, Sir, it was not the Party whip on the government side who ran out of the House to tell members to come in, it was none other than Your Honour's countepart, the Assistant Chairman of Committees who ran out to try to get the members to come into the House. Now in my opinion, Mr. Chairman, this -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please!

MR. NEARY: Mr. Chairman, this, in my opinion, Sir, is a very important matter. In my opinion it undermines the impartiality of the Chair and I would ask Your Honour to put a stop to this nonsense of having either the Deputy Speaker, or the Chairman of Committees, or the Assistant Chairman of Committees, running out of the House because he heard my hon. colleague suggest that we were going to call a quorum. This is not right, Sir, and I would say if it continues, Mr. Chairman, if it is allowed to continue that it is going to undermine the - not only, Sir, must the Chairman be impartial but he must appear to be impartial.

AN HON. MEMBER: That is the point.

MR. NEARY: And that is the point, Mr. Chairman, and so I would like Your Honour to report it to the Speaker and put a stop to it.

MR. YOUNG: Mr. Chairman, to that point of order.

MR. CHAIRMAN: The hon. member for Harbour Grace.

MR. YOUNG: I feel that I am a member of the government and when the quorum was called -

SOME HON. MEMBERS: Oh, oh!

MR. YOUNG: Order, please! I am sorry.

SOME HON. MEMBERS: Hear, hear!

MR. YOUNG: When I looked around, Sir, and saw that we only had a few members, I went out and said, "There is a possibility we are going to get a quorum call." And I was present in this House when the quorum was called.

MR. NEARY: You ran out before I got a chance to call the quorum and you (inaudible) ~

MR. YOUNG: I think you are accusing me in - I can go out at any time and say we have not got enough members in the House.

MR. W. ROWE: Sir, on that point of order.

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

MR. W. ROWE: You know it is easy to dismiss it as a frivolous sort of thing but it is in fact important, Sir. There are certain hon. gentlemen, including Your Honour, the Speaker, of course, and the hon. gentleman opposite, who have to, from time to time, occupy a place in which they have to exercise the utmost in impartiality and give the appearance of doing so, Sir.

MR. W. H. FOME: Therefore, when these three hon. gentlemen are not in that particular place they should not undermine the confidence that we on this side of the House have in them by giving evidence of partiality with regard to such things as quorum calls or anything else. That is the simple point made by my hon. friend. It will redound to the hon. gentleman's disadvantage, I would suggest, Sir, in that it undermines the appearance of impartiality of himself when he might assume the Chair. Although we know he is not partial it may give the impression that he is, Sir, and we should not have that. And therefore, he should conduct himself with the utmost impartiality on all matters affecting this House.

MR. HICKMAN: Mr. Chairman.

MR. CHAIRMAN: The hon. the House Leader.

MR. HICKMAN: Mr. Chairman, I have to rise to that point of order, because it is not a point of order, but the last few comments - you know, I did not take the comments of the hon. the member for LaPoile (Mr. Neary) seriously, but now his leader has gotten up and repeated the same thing which suggests that it may in some way reflect on the impartiality of the hon. the member for Harbour Grace (Mr. Young). Mr. Chairman, it is so fundamental that when an hon. gentleman is not sitting occupying the Chair that he has the same rights and privileges as any other hon. member sitting in this House on either side, and to say that for the hon. gentleman from Harbour Grace to get up having looked around, seen that there is not a quorum here, in the discharge of his non-partisan duty as a member of this Legislature to go out and say, 'We need a quorum in the Committee. A few of you fellows had better

MR. HICKMAN: come in,' to say that
that even smacks of anything but total impartiality is
frivolous and vexatious.

MR. F. ROWE: Can he call, "Order, please!"

MR. NEARY: To that point of order,
Mr. Chairman.

MR. CHAIRMAN: Order, please! I feel that
I really now should -

MR. NEARY: Mr. Chairman, could I say one
thing before Your Honour (inaudible) because I was
the one who raised -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please! Having heard
arguments from both sides I would suggest that if I were to
hear further argument it should go on - I should hear
arguments from both sides again. I feel that I have heard
sufficient, and so as not to delay the Committee I would
have to say that I do not see that a point of order has
been raised that applies to the Committee or the Chair in
Committee. I do not understand that the hon. member
raised any point that involves the Chair of Committee as
the Chair is presently constituted, in other words, the
present occupant of the Chair, and this was the substance
of the matter raised.

MR. NEARY: I will give Your Honour notice
that I will be reporting it to the Speaker when the Speaker
comes back in the Chair, Your Honour.

MR. CHAIRMAN: Order, please! The hon. member
is quite within his rights, of course, that if he feels
that there is any matter which should come up in regard to
the Chair, partiality or otherwise, that this should be
done on a substantive motion put before the Chair.

AN HON. MEMBER: That is right, Your Honour.

MR. CHAIRMAN: The hon. member.

MR. FLIGHT:

Mr. Chairman -

MR. WOODROW:

To that point of order also.

MR. CHAIRMAN:

Order, please! Order, please!

MR. NEARY:

Sit down, boy.

SOME HON. MEMBERS:

Oh, oh!

MR. CHAIRMAN:

Order, please! There is not a point of order before the Chair unless the hon. member wishes to bring a point of order before the Chair.

MR. WOODROW:

I feel I have just as much right as any hon. member to speak here and I want to let the hon. the member for LaPoile (Mr. Neary) know that. The question is, Mr. Chairman, who is to supply the quorum? Is that incumbent upon the government or is it incumbent upon all members of this House? According to '5' here, "If notice is taken by a member that there is not a quorum present in the Committee of the Whole the Chairman follows the course pursued by the Speaker in the House. If he ascertains that fourteen members are not present he leaves the Chair, the House is resumed, and, on his report the Speaker courts the House or may cause the House to be counted by one of the Clerks of the House, and if there be not then a quorum he must adjourn the House forthwith." The question is, Mr. Chairman, who is to supply the quorum?

SOME HON. MEMBERS:

Oh, oh!

MR. CHAIRMAN:

Order, please!

MR. NEARY:

To that point of order, Sir.

MR. CHAIRMAN:

May I just first, please?

I am not sure that I understand the point of order. There was a certain amount of preamble there including the -

MR. WOODROW:

Mr. Chairman, the point of order is simply, Who is to supply the quorum for the House of Assembly?

May 5, 1978

Tape 1886

EC - 4

MR. CHAIRMAN:

Order, please!

MR. WOODROW:

Are we not all members -

MR. CHAIRMAN:

Order, please! Order, please!

I cannot accept that there is a point of order before the Chair. In other words, a question asked of the Chair is really not a point of order and it really is improper to ask the Chair a question as to the Standing Orders.

Does Clause (2) carry?

May 5, 1973

Tape 1227

DW - 1

MR. CHAIRMAN:

Hon. member,

MR. S. NEARY:

Is the hon. gentleman going

to make a point of order?

MR. CHAIRMAN:

The hon. member for Windsor -

Buchans.

MR. W.N. ROWE:

Somebody has to protect him

over there. His own House Leader will not.

MR. G. FLIGHT:

Yes, Mr. Chairman, I want for

a minute to pursue this relationship between Price (Nfld.) and Asarco.

Now the minister, I feel, is not totally conversing with exactly what

the situation is. For instance, as I understand it, Mr.

Chairman, the only relationship between Asarco and Price (Nfld.)

is within the immediate boundaries of the Buchans area. Now

Asarco owns large tracts of land under concession in Newfoundland,

as the minister knows. They are sitting on a tungsten deposit

in Grey River. Is Price (Nfld.) involved in that tungsten deposit

that Asarco discovered and explored? A known tungsten deposit, Mr.

Chairman, that there has been no exploration or development been

done on it for ten years.

So, Mr. Chairman, Asarco

has uncovered, in four or five areas in Newfoundland on its

holdings, deposits. In some cases they continued exploration, in

some cases they left exploration. They are holding a vast, vast

tract of land that has got nothing to do with their relationship

with Price (Nfld.) in the Buchans area. Right now we are talking

about Price (Nfld.) in the Buchans area by and large. Up until

a couple of years ago when we found out we were not even aware

Price (Nfld.) was involved there. And which one of the companies

will be responsible for the Impost Tax when you have a co-tenancy

situation like Asarco and Price right now? Will both of them -

will the Impost Tax apply to both companies?

AN HON. MEMBER:

Yes.

MR. G. FLIGHT:

Or will one pay on behalf

of the co-tenancy or what is the situation in that situation?

And I have to go back, Mr.

Chairman, to the situation with Price (Nfld.). I can understand that if a company is holding concessions in this Province and they do not explore it to the point the government feels that they should have explored it, they pay a tax or they give up the right to the concession. But they do not have anything to give up. They do not hold title to it in the first instance, they simply have a concession. How about Price (Nfld.) who has got outright grants of tracts of land and who do not carry on mineral exploration? So is the government saying that assuming that Price (Nfld.) do not pay the tax that they will expropriate? Because that starts a whole dangerous precedent.

SOME HON. MEMBERS:

Hear, hear!

MR. G. FLIGHT:

What about if some -

what about if we take that a little farther? Price (Nfld.) has got outright title to land in this Province.

MR. PECKFORD:

That should be a model of it.

MR. G. FLIGHT:

Price (Nfld.) has got

outright title -

AN HON. MEMBER:

He does not know what he is

talking about.

MR. G. FLIGHT:

- to land in this Province

on which they hold mineral rights, water rights, timber rights, outright freehold grant, Mr. Chairman. And the minister is saying that if Price (Nfld.) do not satisfy them that they are doing the exploration that this Impost Tax is supposed to force them to do that the only evidence in a speech up until now is the only recourse against the people holding that kind of concessions is that the land would revert back to the Crown in right of Her Majesty.

MR. G. FLIGHT:

I am suggesting, Mr. Chairman, in a situation like Price (Nfld.) or Bowaters that owns land and legal agreements that they own the mineral rights, then I am suggesting the minister will find himself in a very difficult situation in having any lands under those circumstances turned back. He would have to be prepared to expropriate. And, Mr. Chairman, that is a valid point and let us hear the minister clarify the situation when he stands up.

MR. CHAIRMAN:

The hon. Minister of Mines and Energy.

MR. BECKFORD:

Mr. Chairman, one of the first points that were made was the business of the tax, whether it is valid or not, whether it can stand up in court and so on. And I am just going to reiterate what I said before, that as far as we are concerned it is valid legislation, it can stand up and none of the companies can validly win or go to court on the basis of this legislation and contend that it does not apply to them. We think we have done our homework on it and that this is a valid Act and that the tax will have to be paid. So I guess the best test of that is a test of time and whether any of the companies do in fact take us to court on the legislation that we are here now proposing.

On the question of the Barite, the latest I know on that is that Price (Nfld.) is still working on trying to develop it and to insure that twenty or thirty jobs are there after the main thing closes down. My latest information is that they are

MR. PECKFORD:

still eager and it looks like they will be going ahead with that barite production. I have heard nothing to indicate that they are not. And I think it was only a couple of months ago the last information I heard on it and they were moving ahead to get that barite production underway and were spending a fair amount of money on it.

Now, the hon. member suggests that I do not know the Price-Asarco agreement. All I can tell the hon. member is that whether he thinks I do not understand it or not is entirely up to himself. All I can tell him is that I am stating as I understand the agreement and as I had it confirmed by lawyers and other people who have read the agreement. Now Price (Nfld.) on most of the areas there have ownership, mineral rights, timber rights and so on.

MR. FLIGHT: In the Buchans area.

MR. PECKFORD: In the Buchans area. There are a couple of exceptions to that where Asarco still has outright ownership and mineral rights to it, the tungsten deposit in Grey River being one for example. That is totally Asarco's. That does not come into it.

MR. FLIGHT: That is one on a vast concession.

MR. PECKFORD: And then the mineral impost applies to that concession area that Asarco has. Now the money that is being spent on exploration in the Buchans area right now is 100 per cent Price money. Let the hon. member for Windsor-Buchans (Mr. Flight) swallow and digest that. It is 100 per cent Price money that the co-tenancy agreement allows for the exploration part of it to be totally done by Price because they want to do it. They are the aggressors now on that score. Asarco is limited simply to the operational aspect of the existing mine. And outside of there being a number of areas, particularly the Grey River area, the tungsten deposit which is still totally Asarco the rest comes under that kind of an arrangement.

MR. FLIGHT: What about Burnt Pond?

MR. PECKFORD: It is 100 per cent Price money now going into the exploration budget in that area. And I have just had it checked again this morning since the question came up.

MR. PECKFORD:

What else did the hon. gentleman want to know?

I do not think there was anything else there. I can later on perhaps give some more information to all gentlemen on other points which are of a technical nature or even after the bill goes through.

MR. CHAIRMAN: Does clause (2) carry?

MR. PECKFORD: Mr. Chairman, somebody else has given the member -

MR. HICKMAN: Line four one, two, three four from the bottom of 2 (g), strike out the words fifteen hundred and substitute therefore two thousand.

On motion amendment carried.

On motion clause 2 as amended carried.

MR. CHAIRMAN: Shall clause 3 carry?

The hon. Leader of the Opposition.

MR. W. ROWE: One little question here. I have been reading and rereading clause 3 of the bill, Sir, which defines the term 'mineral area'. Now it strikes me that for practical purposes there may not be too much danger although there may be. But certainly in the area as far as legal rights and so on are concerned if a person has four or five acres of land and it happens to fall within this description, a conveyance from the Government of Newfoundland since 1834 which conveyed 'as part of the land or separately, any estate, interest, licence, permit, authority, concession or other right to minerals or to search for and win minerals or to acquire any rights to do so,' what prevents the government - maybe it is in the other part of the act. I confess quite freely, Sir, that I have not studied it in a legal way and that there may be an appropriate legal answer to this. I have studied it in terms of policy. But from the legal point of view, which would of course take a great deal of study, and perhaps the question has already been answered by people in the Department of Justice and the minister's own legal advisor, but what is to prevent the government to suddenly start imposing a tax on me? Now mind you, the tax would not be very much but it

MR. W. ROWE:

could be made more perhaps by regulation at a later date, for example. That could go through the House and I could find myself paying out money, maybe \$100 or \$200 or \$1,000 a year because there happens to be in somebody's opinion mineral holdings or mineralization in the land that I have a country cabin on, for example.

MR. FLIGHT: A good reason for you to (inaudible) to your land.

MR. W. ROWE: Yes, that is right. Well I may be holding it for that purpose like anyone else in the Province and suddenly

MR. W.N. ROWE: I find myself saddled with a tax. Now let me make quite clear as well that perhaps there is room for a vacant land tax in the Province to keep people from holding land and speculating on it and making a killing later on down the road in the future. Land that was worthless at one point may become valuable so people hold on to it and drive up the prices, especially for housing developments, and perhaps there should be some tax. But what I am wondering about is is not there a possibility of getting in through the back door here something which if it is done should be done by the front door? Is there a danger from a legal point of view of people finding themselves perhaps subject to this tax on small holdings because there may be some mineralization there? From a practical purpose or a political purpose the danger may not even be there because I would say that any government who started to slap on a tax on country cottages or land held in small holdings like this would not survive very long as we have seen from the Minister of Forestry and Agriculture who tried to get a \$20.00 tax more or less on land which people are more or less squatting on or holding adverse title to. But I would like to hear the minister on this.

Is there a legal loophole there? Is there a danger there from a legal point of view that other lands other than those envisaged by the minister and his expert advisors in the department, other lands than those may in fact turn out to be subject legally to this tax?

MR. STRACHAN: Do you want to answer that?

MR. PECKFORD: No, I will answer them all at once. I am waiting to see if there are any more.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: I want to get into this mineral area defined and also I will probably bring up the section of forfeiture because I suggested last night, and I am trying to suggest again, that one of the real problems of our mineral areas, and I will use BRINEZ as an

MR. STRACHAN: example, is that they may have huge holdings. And I am deeply concerned that their maintenance of these huge holdings can be that they have, for instance, the uranium mine in the Kitts-Michelin area which could provide the revenue for instance, or to offset this tax, whereas further North in the Bruce and Moran Hills and further North of that in the Seal Lake and Harp Lake area, there are indications - of at the moment - I am only saying there are indications, I am not saying it is commercial - there are indications of copper and fairly large copper. Now obviously at the moment the copper market in the world is down, deflated. But I am wondering whether this mineral area defined should not define smaller blocks of acreages, and if it cannot be done because of people's title to the land, if it cannot be done because of concessions already given for large areas of land like the BRINEX concession, I am wondering whether in any forfeiture of lands because of this act, as a cause of this act, whether the minister would consider that if there is forfeiture of lands in large holdings that a certain maximum size of mineral area be defined to be held so that large corporations, or anybody else for that matter, cannot hold large tracts of this Province in the palm of their hand, paying no taxes because they have a development in one small corner of it, whereas in other areas of it there are minerals which they are sitting on probably speculating on, minerals which they are waiting for markets, which is a justifiable reason. If he is arguing that it is obviously not advisable to go ahead and develop copper when the copper market is low then the future looks gloomy.

But I am wondering whether the minister could define whether obviously, as I stated earlier - I do not know if you got the point that I stated earlier - we cannot do it to companies who already have large concessions. They obviously own these lands or have title to the lands or the rights to the lands, whatever the concession is. But in and I describe this again in the forfeiture clause, in any forfeiture in future that we have the same kind of arrangement as used

MR. STRACHAN: in the sea bed in which blocks are mapped out and there is a maximum number of blocks of that land which can be held as a mineral area defined under this act. So that, for instance, BRINEX's land at the moment held, should it be forfeited or is there a possibility in this bill to impose on them that there are different blocks in that area so that in that large area there are five blocks, or four blocks or three blocks, and that in uranium mine

MR. STRACHAN:

one corner of one block, an expenditure of money on that block will not give them the right to hold on to various other large tracts of land elsewhere forever or for the life of that mine, for instance. As long as they can keep showing they are putting something in there, they can sit and hold that until they feel that it is necessary to go ahead. So from my point of view I think it is a very valid point, that this mineral area defined because I object in principle to corporations owning great, large tracts with all encompassing rights to it which they never intend to do anything with or certainly do not intend to do any exploration or preliminary work. And this is the case in Labrador, of course. Much of Labrador is not geologically explored. There is a paucity of information on Labrador and exactly what there is in Labrador. The minister's department has been one of the departments working, for instance, North of Kiglapait in the Torngat Mountains. And obviously as I understand it is not an area which is minerally rich because it has been partly striped of everything and pushed into the sea, but I am wondering about for the South of that, in the back of the Harp Lake, Seal Lake, these huge areas where there should be a maximum size to a mineral area defined and companies can own four or five or six or seven or eight or ten of them, that is as their rights are to own them or get the concessions on them or whatever way they want to do it.

But they must under this act do exploration in each of these areas or forfeit these areas. And I obviously do not mean to say that it would be foolish to have the size too little of the area defined so that if there was uranium in one corner and another piece here and another piece there that they would have to tie these all together to make it economically feasible or commercially feasible to have a uranium mine. For instance, it would be stupid to have Kitts as one little block and that is the maximum you can hold and Michelin as another little block. Nobody is arguing that. I am arguing a size which would give them a reasonable size but yet would confine them sufficiently to do exploration rather than to continue the way they are, holding large areas and offsetting the

MR. STRACHAN:

holding of these large areas by one development, small or large, in one area.

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

MR. FLIGHT: Mr. Chairman, just to add to that for a second, a perfect example of what the member has been talking about this past ten minutes is the American Smelting and Refining Company, Asarco, concession and the Price concessions. Price (Nfld.) will probably spend enough money in exploration this Summer whether there was a tax applied or not, they will probably spend enough money in the Buchans area, diamond drilling, deepening holes, natural exploration, that would offset any tax they collected on any of their holdings anyway. But it is being all spent simply because they know it is a highly mineralized area, they are trying to bring in an ore body. They will spend enough money that if they want to justify not doing any more exploration on all their vast holdings, then they just sit on that land and it is not being explored. As long as you have a situation like Buchans that has got a fifty year life to this point that geologists all across Canada has recognized as one of the most highly mineralized areas in Canada, then Price (Nfld.) has indicated that they intend to continue exploration. So Price (Nfld.) presumably can spend all the money required by the Newfoundland Government in exploration in that immediate Buchans area where there is a great chance they are going to bring in another ore body.

Then all of the holdings outside of the Buchans area just sit and be unexplored. It is a very valid point the member for Eagle River (Mr. Strachan) raised. And the perfect example of course is the Asarco holdings and the Price (Nfld.) holdings. Mr. Chairman, I would just like to refer for a second to the point the hon. Leader of the Opposition raised. That is in the situation where you have people in this Province holding by a grant a piece of land five or six - let us make it a little more complicated. Let us assume that land is held adjacent to a highly mineralized area

MR. FLIGHT:

or adjacent to a discovered mine. No reason to believe that it is mineralized. But it would appear to me that the way this bill reads that all some person would have to do is come to the Department of Mines and convince somebody, 'Look, there may be mineralization there. We would like to explore it.' Now either the guy is put in the position where he is taxed because he personally does not intend to explore, he is taxed, as the Leader of the Opposition said, or we find a move to expropriate the land so somebody else

MR. FLIGHT: can explore or at least it will be a very good reason to use, and I think those are two valid points, Mr. Chairman.

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

MR. PECKFORD: Mr. Chairman, I do not know if hon. members really understand what we are trying to do here. I thought it was clear just what the act was trying to do.

In reference to what the Leader of the Opposition says, I suppose anyone could, theoretically, and I think this is the way he is talking about it in any case, I think the Leader of the Opposition understands what the act was all about - talking theoretically about it I suppose one could make the point that if government, under section three, or under some section of this act is moving into a particular area and forcing attacks on owners of land, mineral rights owners in the Province who had a previous agreement, that somehow then the government could look at it from that point of view and say that, you know, this is setting a dangerous precedent in the sense that - who knows, you know? The government, are they going to do this? Some day they could decide to move in on somebody else who has got a grant from the government, and move in and impose a tax. You know it could.

Theoretically I suppose there is some validity in that point that if governments can do this I suppose they can do other things as well, but I do not think any government would ever get away with it. The whole purpose and intent of this act is to get companies who have large tracts of land from the government under mineral rights for long periods of time with very low commitments, to do something on these lands, to explore their mineral rights that they have gotten for a long period of time. . . large tracts of land, having to do very little with it. So what we are trying to do is to, in the public interest, because these agreements and concessions are not what people in 1978 consider to be reasonable as it relates to doing something with our resources, that we have the wherewithal through this Legislature, even though these

MR. PECKFORD: concession agreements said that you could not do it or whatever, to bring in new legislation to force these companies and these owners of mineral rights in that category to get on with the job and to at least bring the level of exploration to a certain level or otherwise you are going to have to pay tax on it. You will pay tax on it or if you do not want to pay the tax then relinquish some of your acreage to give somebody else a crack at it.

That is the whole intent of it. But you do run the risk theoretically, as the Leader of the Opposition knows, to leaving yourself open to that kind of idea or suggestion being put forward. But I do not think it is realistic. I think it is a good academic argument to have but I do not think it is realistic. Man decided a long time ago when he needed to be organized that he was going to decide to do certain things in the public interest and after you make that first principle kind of situation where we decide to get organized and come out of the cave, I guess everything else sort of follows from there and it is only a matter of degree and no longer very much a matter of kind. In any case we will not pursue that kind of argument any further. I think we decided that a long time ago. But you do leave yourself open to that from a theoretical point of view, as the Leader of the Opposition fully points out.

I mean, let us get straight what we are trying to do here. We are trying to ensure that a certain level of exploration activity must occur. Now whether that level of mineral exploration activity is sufficient, time will only tell and the test of time will tell and if it is not in the first two or three years that it comes in then we are going to have to change the formula.

MR. FLIGHT: Who is (Inaudible)

MR. PECKFORD: Just keep quiet, the hon. member for Windsor - Buchans (Mr. Flight). I am trying to address myself to

MR. PECKFORD: the kind of things that he just mentioned.
Now in the case of Asarco and Price,
as the hon. member for Windsor - Buchans (Mr. Flight) is wont
to talk about on some occasions, regular though they may be,
he says, you know, the amount of tax if Price (Nfld.) were not
spending it at such a level that they are spending much more
than that in any case, so that therefore you are not going to
be collecting anything. Fine. Great. Excellent. Because if
Price is spending \$1 million in exploration a year that is
good, therefore -

MR. FLIGHT: On one square mile of the vast concessions.

MR. PECKFORD: All we can do in the first instance
is establish a level. This is not perfect and there is no
way you are ever going to get it perfect. Okay. So we start
somewhere, so we have started somewhere and where we have
started in the Price case,

MR. PECKFORD: because of the rates applying they will pay in 1979, 1980, 1981 and it will gradually escalate and they will get up to a fairly high level. They know now after this bill goes through that each year, whether their idea was different. Some year like Price, okay, they are spending way over now, fine. Perhaps they are not very successful and they can see now in 1980 that in 1981 they are not going to want to spend very much. But they are going to be either forced to spend at a certain level or pay the tax or relinquish. They are going to. So we have established a standard which was not there before. There was no standard there before, and now we are giving a standard, and it will have to be the test of time.

Now as it relates to a particular area that they are going to spend all their money on because of their seismic shows at that, I agree, But it is hard, it is difficult for a government to have enough data there to force companies to not go there but to go somewhere else if that is not very prospective. All we can do is set a fairly good standard, a fairly high level of taxation if they do not spend some money on it. That is all we can do. Now as we go down the road, I agree that you may be able to define, as I said last night, smaller areas. Now the hon. the member for Eagle River (Mr. Strachan) does not seem to understand that if the companies decide to relinquish instead of paying the tax or instead of spending exploration dollars because they have better areas somewhere else and they relinquish, what happens then? And what happens then is that that land immediately comes under the Mineral Act.

MR. HICKMAN: Goes to the Crown.

MR. PECKFORD: Is back to the Crown. And then anybody else going in on that land and claim staking it

MR. PECKFORD: comes under that Mineral Act that was passed in 1976, which has provisions in it, like the oil and gas regulations, and which forces the companies to do a fair amount of work on identifiable blocks, the very thing that the member for Eagle River (Mr. Strachan) is talking about. So all the member for Eagle River has to do now if he wants the total answer to that question is to refer to the Mineral Act, 1976, which applies in the case where relinquishments occur. It comes back to the Crown, it goes open for claim staking and then people go in and have to commit certain numbers of dollars on those blocks - we do have blocks. That is the Mineral Act. But as long as they are holding on to it and their concession agreements come under - and we have identified the ones that do - well then they come under this act in addition to the agreement conditions that were signed under the concession. And that is all they come under.

Up until now, Brinco or Brinex, Reid Newfoundland and their mineral rights, LM and E, Malco and so on have only had to live up to the conditions under the concession agreement that was signed years ago. In the case, for example, of Brinco, every five years, \$1.2 million on all their lands. And what are we saying now? We are saying now, starting in 1979 that company will have to spend at least \$4 million. If they spend any less, the tax is \$4 million in 1979, they will have to make up the difference or relinquish land, and then that land comes back to the Crown and some other company gets a crack at it. And that is the way it is working. Now whether that level of taxation is high, low or indifferent - and it escalates, it goes up to \$18 million for Brinco if they did not spend anything. As a matter of

MR. PECKFORD: fact, as the member for Eagle River (Mr. Strachan) has said on a number of occasions, the Brinco company - Brinex - have spent a lot of money. And I just found out this morning that they intend to spend about \$3 million in Labrador this summer.

And talking about Labrador and it not being explored very much, as the member for Eagle River did, that is true. And we are trying to correct that situation through getting a total mapping and geology of that area done. As a matter of fact, by the end of this present month we will have 150 men in the field in Labrador with three or four helicopters and one fixed wing aircraft to continue the mapping programme that was started last year under the new mineral development agreement. So 150 people - geologists, and four or five helicopters and a fixed wing aircraft - are going in en masse until about October or November into Labrador under this mineral development agreement to identify and to do the proper mapping so that this information, hopefully attractive, will then bring other companies into Labrador to do the exploration that is badly needed.

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

MR. FLIGHT: Either I do not understand the minister or he does not understand me, but, Mr. Chairman, before there was an Impost Tax in this Province, before we ever heard this, American Smelting and Refining Company for twenty years at least, and I was associated with it for twenty years, spent \$500,000 to \$600,000 a year in exploration. That is far more than they would be required to spend so as not to have to pay any taxes under this act. But they spend it because they are making \$8 million or \$10 million a year in Buchans. It was a tax writeoff anyway and as a result - and I mean they spent it by and large in the immediate Buchans area which meant all the concessions they held all the way from Buchans in a V-shaped concession to the South Coast, a massive holding. they would not be required under this bill to do any exploration on that land as long as they ran that kind of an exploration programme in Buchans.

A few days ago on CBC I heard that Daniel's Harbour, there is a mining company in Daniel's Harbour which discovered last year a one million ton deposit in the immediate vicinity of the mine and it has indicated that it is going to have a \$500,000 or \$600,000 exploration programme for the next three or four years in the immediate area of the mine. So how do any other holdings apart from the immediate area of the mine get any exploration? So if the mine in Daniel's Harbour is making money for the next twenty years, any holdings they have in this Province will not be explored for the next twenty years because all their exploration effort will go into the immediate area of the mines. They will spend enough money to satisfy the act that they will not owe any taxes and if possible under that situation that vast areas in this Province will go for the next ten or fifteen years where you have an operating, profitable mine with no exploration.

On motion clause 3 carried.

MR. FLIGHT: He is not going to answer it.

MR. CHAIRMAN: Shall clause 4 carry?

The hon. member for Eagle River.

MR. STRACHAN:

I wonder if the minister will explain to me clause 4. A mineral holding determined refers to a specific mineral. That is, there are concessions or rights given for a specific mineral, to mine a specific mineral. That is my understanding of it - that if they mine other minerals - I just do not understand this at all. If they mine other minerals, for instance, is that regarded as something separate under this act? For instance, if someone has a permit and goes in there specifically for one mineral, uranium for instance, and there is copper there and they move in copper or whatever else it is, how does this act work in relationship to different minerals if specific minerals are mentioned? Because I think this section here, 4 - I am trying to be very specific with the section, you know, I am not talking the principle of it, I am talking very specifically the section. The government House leader agrees. And I wonder what relationship this is to the bill and what would happen? Do they pay only tax on that section? Does the money, for instance, they put in it for exploration of one mineral, if it is a specific mineral holding, apply to other minerals? Can it be taken off other minerals? What is the relationship there.

It is a little bit complicated that section there. Often it could have, I think, certain loopholes on this section.

MR. HICKMAN: Double protection provided by a very assiduous legislative draftsman who nods his head.

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

MR. PECKFORD: I just scanned the section then and I cannot give a full explanation that the hon. member might want. All I can indicate is that where specific minerals are mentioned in other documents for mineral rights that we are making sure that those kinds of documents are covered too, when there are specific minerals mentioned. I can elaborate as I understand it. Usually when mineral rights are given, mineral rights are given and the mineral rights defined are mineral rights, m-i-n-e-r-a-l r-i-g-h-t-s. But in some cases there might have been mineral rights given in the

MR. PECKFORD:

way of specific minerals and in such like cases then we are ensuring that those kinds of rights are also covered under the act so that this kind of taxation system that we are putting in here would also apply to large concession holders who have particular agreements which relate to specific minerals. That is all I can get out of it.

MR. HICKMAN: You should be called to the Bar forthwith.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: In other words what the minister is saying is that - and I wonder if there are any concessions given for a specific mineral.

MR. PECKFORD: Not if we can avoid it.

MR. STRACHAN: Then what the minister is saying is that regardless of whether we are working at mineral, or any other minerals for instance, it will be covered under this act.

MR. PECKFORD: Exactly. Exactly.

MR. STRACHAN: He can assure us of that. I guess I just do not understand the legal -

MR. PECKFORD: That is all I can assure you of right now in my interpretation of it.

On motion clauses (4) and (5), carried.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: Clause 6, the paramountcy of the act, in other words states that this act is paramount over everything that has ever come before, it is supreme to concessions, agreements, titles, deeds and so on.

MR. NEARY: Setting up company towns and -

MR. HICKMAN: It is an interpretation provision.

MR. NEARY: - policing the area.

MR. STRACHAN: It is a what?

MR. HICKMAN: It is to aid the courts in interpretation.

MR. STRACHAN: But in other words if it is put in here to aid the courts in interpretation, it is felt necessary to put it in in order to spell out very clearly that you feel, if it is an interpretation, you feel it is paramount.

MR. HICKMAN: Yes, that is right. Do not forget the pro tanto.

MR. STRACHAN: When I get down to another section, because I intend to debate this - not debate, but question, if I am not allowed to debate, sections of it.

MR. PECKFORD: I hope so.

MR. STRACHAN: Specifically here, the paramountcy of the act, I am thinking of the Reid Newfoundland arrangement, the paramountcy

MR. STRACHAN: of the act.

MR. HICKMAN: Where is that now, later on?

MR. STRACHAN: Later on there is forfeiture and there is also discussion about negotiation.

MR. HICKMAN: Yes.

MR. STRACHAN: And I am wondering whether this act, should a situation occur with Reid Newfoundland, I am wondering whether this act would be able to supercede and override all their considerations and arguments and especially on the basis of discussions with the government at the moment. They have obviously been having discussions for five or six years when they started this, I am wondering whether the act does give powers, because this could be a tricky case. I believe it could be a very complicated case, the case of Reid Newfoundland. Would the Minister of Justice like to -

MR. PECKFORD: All I can tell you on that, like I told you last night, it is no different, I mean, we have negotiated with Reid Newfoundland and we are now convinced under the provisions outlined in this act that we are covered in the event that everything has to apply here, which, you know, it is going to once this act is passed that we are covered. Now whether it is going to be a tricky case is a matter of opinion, you know. The hon. member for Eagle River (Mr. Strachan) believes that it will be. I have been assured by the people who are used to doing these things that we are covered in case we do go to court and that this act will apply and will override any previous or existing agreement that we have with Reid Newfoundland.

MR. STRACHAN: I accept the minister's explanation. I am sure that one of the duties that I have as a member in this House is to ask the member for the same reassurance that he gets in drafting the bill from the Justice Department and so on -

MR. PECKFORD: I did not think I questioned that in my answer.

MR. STRACHAN: - that you know I also have the right to have that information -

MR. PECKFORD: Absolutely.

MR. STRACHAN: - and be assured that these angles are all covered.

MR. PECKFORD: I did not think the debate was whether you had a right or not. I thought the debate was whether or not I could reassure you that Reid Newfoundland will be covered under this act. And I thought I had given you that reassurance.

MR. STRACHAN: Yes. That is what I am asking.

MR. PECKFORD: That is what I gave you.

MR. STRACHAN: You are putting in the record and stating that there are reassurances in this case -

MR. PECKFORD: Right. Exactly.

MR. STRACHAN: - because it could be, as I understand it, a very tricky case, a very complicated one if they wanted to.

MR. PECKFORD: Could very well be.

MR. STRACHAN: Surely, you know, I am stating to the hon. House Leader then, the Minister of Justice, that it is my right to question, I cannot just let the sections go past if I am not quite sure of what is going on there. I would be derelict in my duty, surely.

MR. CHAIRMAN: The hon. Minister of Justice.

MR. HICKMAN: May I explain to the hon. gentleman from Eagle River (Mr. Strachan) that that is not what I was saying when I was in my seat when I should have been standing, that any competent legislative draftsman in preparing a piece of legislation tries to envisage as much as he or she can foresee that may arise in the future out of the interpretation of any particular piece of legislation. Now this will not stop, in case any of my colleagues at the Bar are here listening, this will not stop actions from coming to the courts. But

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MR. HICKMAN: you try and make certain that the legislation is made as clear and unambiguous as possible and I have no hesitancy in saying that right now in this Province, we have servants of this House, a legislative division, that knows no peer anywhere.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: In getting back to the Minister of Justice and the House Leader, I am stating that surely then the minister will agree

MR. STRACHAN:

that legislation of this nature, which is extremely complicated and difficult to put into form, and once it is put into form I think it is complicated on the layman. Surely it is our duty then if we think there is a loophole, we are not questioning the loophole for any other reason than we think, is there a possibility of a loophole there? Is there a possibility of a loophole here? Surely then under this committee stage that is the purpose of the committee to finally go through the bill and discuss it.

MR. HICKMAN: Right.

MR. PECKFORD: Absolutely. I could not agree with the hon. gentleman more. I understood that the purpose of committees that we have been having over the last number of years since the legislature came into existence was there for that very purpose and I think the hon. member for Eagle River has articulated the obvious.

On motion, Clause 6 and 7, carried.

MR. STRACHAN: On Clause 8.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: I wonder whether the minister could explain to us or describe to us the scale here of payments and whether in other provinces this matches payments made by the provinces and whether we are hopefully encouraging - I understand full well this is not a revenue bill. This is a bill for the encouragement of exploration on mineral holdings. I am wondering whether the penalties involved in the encouragement of this are high enough. For instance, the example he gave was the 14,000 acres owned by IOC, I believe, for which they would only pay \$3,000 a year. Obviously \$3,000 a year for 14,000 acres of prime mineral holdings, which are being developed at the moment, - there is no argument. I am not arguing IOC's case but I am wondering whether there are 14,000 acres held by some other groups elsewhere or larger tracts whether this is sufficient, \$3,000 per year is sufficient or whether by pure speculation and by capital gains and by selling on the markets and

MR. STRACHAN: so on that this \$3,000 they would have to pay, or \$5,000 or \$10,000, would be mere flea bites compared to the speculation that they could do on the transfer of sales of their mineral holdings.

So I am wondering, number one, whether that is sufficient and, number two, whether it is in comparison with other provinces whether this comes in line with other provinces who have possibly a mineral impost bill and who have possibly been carrying on this procedure for a considerable time. It does bother me in some way because we do, as we know, from our royalties on minerals get very, very little out of our royalties. You know, I have made the point before and it should be a salient point, I think, that we pay more in taxes as normal people of this province for beer, for tobacco and for our driver licenses put together, we pay more in taxes in this province than the mineral companies, the mining companies pay in taxes to this Province. I think that this is the relationship on that. Are we getting enough out of it? Are we encouraging enough? Is it sufficient? Is this scale of payment sufficient to encourage?

And also the last point is that our sliding scale that we are talking about, is there a possibility of encouraging exploration that there maybe any kind of sliding scale, or is it necessary? Does the minister think it is necessary to have such a sliding scale for very large holdings? Because as we have obviously shown there are a number of different areas in this; people who hold small holdings privately who are not interested in mineral exploration and the land may have not been of any importance mineral-wise.

And then there are companies which hold small acreages and then there are companies who hold very large, sizeable acreages. So there is obviously to me three different levels, just superficially three different levels. Possibly it may be that a different scale would be applied at different levels to encourage exploration. I would think definitely the companies holding large acreages that maybe is this scale sufficient? Or in the intermediate level, is this

MR. STRACHAN: scale sufficient of payment? I wonder if the minister could indicate that to me.

MR. CHAIRMAN: The hon. minister.

MR. PECKFORD: The point here, Mr. Chairman, is that we are not trying to accommodate and include under this act all the various sizes of concession areas. As the preamble points out: "Whereas heretofore some large tracts of minerals were conveyed in grants of land," and I think that is the key. We are,

MR. PECKFORD:

the first instance - and this Act addresses itself primarily to that - in the first instance looking at those companies who have large tracts which are also covered under this Act incidentally rather than deliberately, the company or the individual on very small tracts of land and saying, 'Oh, gosh, that is a very small amount of tax he has to pay, that is going to do very little.' Well, the whole intent of the Act is not that anyway.

MR. STRACHAN:

That is right.

MR. PECKFORD:

The whole intent of the Act is to get Brinco, to get Nalco, to get LM and E, to get Reid - these are the main ones. Now, as we go down the road undoubtedly the intermediate and small tracts which are not really addressed in this Act, because there are only very small amounts of taxation having to be paid, we might have to relook at that and bring in special amendments either on this Act or by another Act to deal with it if we see that a sufficient level of exploration is not taking place, but in the first instance we are more concerned with all those large tracts on which nothing has been done to any great degree. And let us get that moving and then move on to the intermediate and the small, as the hon. member indicates. And I think that is the whole intent of the bill, to get at the very large tracts first. Let us get that moving, let us get a certain level there. Let us say that Brinco has to spend \$4 million in 1979 and go all the way up to \$18 million.

So in the context of dealing with large tracts of land I think the levels of taxation imposed are sufficient and adequate to do what we want to do.

MR. PECKFORD: Insofar as it applies to the intermediate and small acreages, I would tend to align myself with the hon. the member for Eagle River (Mr. Strachan) and say that perhaps not, knowing full well that that is not the intent in the first instance. And I think that we have to address ourselves to the intermediate and the small later on in a better way, in a more intense and concentrated way, because we are not really getting at those here. We are really getting at the real large tracts, see how that works and then move in on the intermediate and small, and in that context I agree with the hon. the member for Eagle River.

MR. STRACHAN: I would like to thank the minister. That was the whole intent of what I was at, that this bill as such is designed - I understand full well it is designed to encourage exploration, it is not a revenue bill - but as I stated, the bill is designed with a specific purpose in mind, and in that way, therefore, the bill in some ways is quite a narrow bill -

MR. PECKFORD: Yes.

MR. STRACHAN: - in that -

MR. PECKFORD: It is designed that way.

MR. STRACHAN: - it is designed that way.

MR. PECKFORD: Right.

MR. STRACHAN: And that is my whole argument, that when we look at the Mineral Impost bill as we see it here that we would think that it is all-encompassing.

MR. PECKFORD: Right.

MR. STRACHAN: And I do not want to leave the impression that this bill is all-encompassing because it is not.

MR. PECKFORD: No, I agree.

MR. STRACHAN: And that is the basic argument I had.

MR. STRACHAN: Okay, I accept the minister's point there. Could the minister answer me the question that I asked on the relationship between other provinces? Does the minister have any idea on that?

MR. PECKFORD. That other point there: There are not many provinces or jurisdictions that have the kind of situation that we have as it relates to long-term concession areas. So that is one of our problems. That is why it took us a bit of time, because we do not have a totally similar situation everywhere else. When it came to the Mineral Act and the Mineral Quarries Act, yes, there are a lot of parallels and a lot of similarities and we could compare and contrast what we are doing, but in this particular instance where we are talking about the Brincos and Reid Newfoundlands of this world, there are not parallel situations and, as I understand it, there is no similar kind of legislation in other provinces because they did not have near to the same degree the concession systems that we had, and the Reid Newfoundland fee simple mining grant situation near the degree so

in the other provinces their normal mineral acts apply to larger tracts of land than ours do, as somebody mentioned last night, you know, a lot of the area in Newfoundland, over 50 per cent - I think the hon. the member for Eagle River (Mr. Strachan) did - is under the concession area and that our Mineral Act, which can stand on its own with any in Canada, applies to smaller amounts of land in proportion to the total than it does anywhere else in Canada. In most parts of Canada the normal mineral act would apply because they have no special concession agreements in those provinces to the same degree that we have. So we were a tiny bit strapped in assessing and

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MR. PECKFORD: bringing about rates which we thought could be reasonable. And these rates, the companies are extremely unhappy with them, which is normal. So when one says, Is it high enough or is it low enough? I would just like to put on the record that the companies involved are not at all happy with the levels that we are setting here now.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: I agree with the minister in that interpretation, you know, in his statement there that the company is obviously a nut firm. No company is going to be happy with any imposition of anything, whether they feel it is a tax or, as the minister has stated, is not revenue. And I am sure the companies have argued that it is purely for revenue, that 'Now you are trying to scrap us as well,' when in essence what we are trying to do - I think this is a serious bill because 52 per cent of the Island, and I got my figures straightened out -

MR. PECKFORD: Yes, a little over 50 per cent.

MR. STRACHAN: Fifty-two per cent of the Island of Newfoundland and 41 per cent of Labrador is either owned or rented by companies. In other words, half of this Province is owned or rented by companies. And this bill therefore affects all of us and it is a serious, serious bill. It is important that in future and from now on that whatever occurs in the area of minerals that this Province extracts the maximum we can. And it would be foolish for us to think that we must be generous to the point of stupidity with companies. And companies will always complain but it is noticeable that companies will also go to other jurisdictions in which they have even stricter regimes, as we have seen with the oil and gas. So I think it is an important bill.

I wonder if the minister could explain to me section 4 of 8 and I have a specific example here. 'Where two or more persons' - or obviously two or more companies, I would imagine or I would take it to read, and I am wondering whether one pays the tax. For instance, I could say Shell and Commodore, for instance, to give two examples. But I am wondering whether if Shell pays the tax, and they would only be paying tax if they did not explore -

MR. PECKFORD: Remember now, this says persons and I do not think it is the same as saying companies.

MR. STRACHAN: I wonder if he could explain then if it says persons

MR. STRACHAN:

I wonder if the definition - we will get back to persons then - what a person is defined as. But to me it is critical. For instance, are we imposing on companies or persons, two persons who have an agreement, can that person say, well I pay the tax and therefore you will forfeit your right because I am the taxpayer. And therefore could the legislature or the Department of Justice find itself in court establishing the fact that it has given the right to one person to forfeit that claim because he was the person paying the tax although that person may not have been holding up other parts of their contractual agreements. To me this seems to be something which states forfeitures and states rights and so on outside of contractual agreements. To me I wonder if the minister could explain that. I am no lawyer, I am just an ordinary fellow in that way, but I would like to have an explanation of this because it is important the way I see it, you know, that there could be - that is as I read it. Or maybe the minister could explain it, read it to me and explain it to me or maybe the Minister of Justice.

AN HON. MEMBER: Is it carried?

MR. PECKFORD: No, I am just trying to read it to get the answer for the hon. member. I am not a lawyer either and I cannot just at a moments notice, "Where two or more persons are liable in any year for the tax upon the mineral holding, each such person is jointly and severally liable therefor; but the person who pays the tax has a right of relief therefor against the other persons in such manner as may be provided in any agreement between them or, in the absence of any agreement, in like manner as if each of them were jointly liable for the tax in equal proportions."

MR. HICKMAN: Want me to answer?

MR. PECKFORD: Okay, go ahead.

MR. HICKMAN: I can answer that for you.

MR. STRACHAN: Yes, sure.

MR. HICKMAN: You have a partnership and a partnership agreement may

MR. HICKMAN:

arrange that they are equal partners or they may be seventy-five, twenty-five. As far as the enforcement of this act is concerned the Crown does not have to enquire into the relationship between the two partners. There is a joint and several liability. If one partner comes along and pays the full amount that partner can turn to the other and say reimburse me.

MR. STRACHAN: I understand that in the case of a person. What I was asking -

MR. HICKMAN: Or corporations.

MR. STRACHAN: Or companies?

MR. HICKMAN: Yes.

MR. STRACHAN: Could a company be a person?

MR. PECKFORD: A person as defined under the act is under 2 (i), "Person includes any unincorporated association of persons, however designated."

On motion Clause 8 carried.

MR. STRACHAN: Clause (9).

MR. HICKMAN: Do you have a question on clause (9)?

MR. STRACHAN: Yes.

MR. HICKMAN: I think we have to rise the Committee.

MR. STRACHAN: You want to rise the Committee?

MR. HICKMAN: If this is going to take a little while.

MR. PECKFORD: Yes, you had better rise the Committee.

MR. NEARY: Mr. Chairman, I move that the Committee rise and not report.

MR. HICKMAN: Mr. Chairman, I move that the Committee rise, report progress and ask leave to sit again.

MR. NEARY: No, Mr. Chairman, there is a motion already before the Chair, Your Honour. I move that the Committee rise and not report, Sir. I just moved it.

MR. CHAIRMAN: That is a debatable motion.

MR. NEARY: That is not debatable.

Mr. Chairman, what is going on? What is going on?

MR. CHAIRMAN: Order, please!

MR. PECKFORD: Mr. Chairman, I would like to know the present status of the Committee and whether in fact there is a motion before the Chair or not?

MR. CHAIRMAN: I shall try to ascertain if -

MR. NOLAN: To the point of order, Mr. Chairman.

MR. CHAIRMAN: Point of order.

MR. NOLAN: I think it is quite obvious we do not appear to know what we are doing so it is time that we found out. I mean what the hon. member is attempting to get across is he is trying to the best of his ability to give us information on the act in answer to my hon. friend and so on. We are now here. We understood we were going to rise the Committee and I understood for the purpose - is that right? - of having a guest make an appearance in the House and be acknowledged by the hon. the Speaker. But we now find that we are now wandering back and forth so perhaps we can get it

MR. NOLAN: straight, see where we are going from here.

MR. NEARY: To that point of order, Mr. Chairman.

Mr. Chairman, I was the one who had the motion that the Committee rise and not report and that motion is not debatable, Mr. Chairman, not debatable, n-o-t not debatable. Now the motion should have been put, it should have been put at the time. It should have been put immediately, according to the rules of this House.

AN HON. MEMBER: Right. Right.

MR. CHAIRMAN: Order, please! I did not recognize the hon. member.

MR. NEARY: No? What was I, invisible?

MR. CHAIRMAN: Order, please!
The point of order I feel is just more a point of explanation.

It is moved that the Committee rise and report no progress and ask leave to sit again; all in favour "Aye," contrary minded, "Nay," I feel the "Nays" have it.

MR. HICKMAN: I move that the Committee rise, report progress and ask leave to sit again.

On motion that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bills No. 4, 13, 14, without amendment and ask leave to sit again, and Bill No. 8.

MR. SPEAKER: I will ask the hon. Chairman to make another report.

MR. NEARY: Do they know what they are doing, Mr. Speaker?
Get a leader in the House.

MR. MORGAN: There is too much noise with big mouth over there.

MR. NEARY: A point of order, Mr. Speaker.

The hon. Minister of Tourism, Sir, has been ruled out of order more often in this session of the House than any other gentleman on that side or on this side of the House. And the hon. gentleman knows, Sir, it is a violation, a very serious violation of the rules of this hon. House for an hon. gentleman to speak from any other seat other than his own and I would ask Your Honour to direct the hon. gentleman to observe the rules of the House. If the hon. gentleman wants to speak, that he stand in his place the same as every other member is compelled to do and that it be done in his own seat.

MR. SPEAKER: On the point of order. Obviously hon. members when speaking and recognized must be in their own seat.

The hon. Chairman of Committees.

MR. CHAIRMAN: Mr. Speaker, to clarify my first report, the Committee of the Whole have considered the matters to them referred and has directed me to report having passed Bills No. 4, 13, 14 and 8 without amendment, and ask leave to sit again.

On motion report received and adopted and Committee ordered to sit again presently.

MR. HICKMAN: By leave third readings of Bills 4, 13, 14 and 8.

On motion, a bill, "An Act To Empower The St. John's Municipal Council To Raise A Loan For Municipal Purposes By The Issue Of Bonds," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 4).

On motion, a bill, "An Act Respecting Unfair And Unconscionable Trade Practices," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 13).

On motion, a bill, "An Act To Amend The St. John's Housing Corporation Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 14).

On motion, a bill, "An Act To Amend The Industrial Standards Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 8).

MR. HICKMAN: Order 14 - Bill No. 28.

Motion, second reading of a bill, "An Act To Convey Certain Trusts And Properties In The Province To The Royal Trust Corporation Of Canada." (Bill No. 28).

MR. NEARY: Mr. Speaker, I will save the hon. gentleman a bit of time. We are going to go along, Sir, with the passing of this bill because the minister indicated before the bill arose that this bill is being introduced in the other Provinces of Canada at the same time this bill is being introduced here. We are not sure of that, Sir. We have to take the hon. gentleman's word for it but we are still not sure of it. And the explanatory note says the purpose of this bill is set out in the long title and the long title is an act to convey certain trusts and properties in the Province to the Royal Trust Corporation of Canada. I am sure, Sir, over on the green on Bell Island they will all certainly welcome this bill. Down in my hon. friend's district, down on Flower's Hill, the people will be dancing in the streets tonight because of this piece of legislation. This is typical, Sir. And down in Grand Bruit and down on the great Northern Peninsula in Port au Choix, up in Main -

MR. STRACMAN: Bonfires.

MR. NEARY: -there will be bonfires, there will be guns fired off, balloons flying and firecrackers in the air, fireworks because this piece of legislation has been brought in by this administration which is typical, Sir, it is typical of the kind of legislation that we have gotten so far in this session of the House. We had one piece of legislation I believe that is going through a Committee of the Whole now that has some merit, only one so far. But this is typical of what is on the Order Paper, Sir. It will do nothing, absolutely nothing for the ordinary people of this Province. If you passed it around, if you put it in every home, like they are doing now with the Norma and Gladys document that they are sending out to every school child in Newfoundland and the Norma and Gladys and the Newfoundland Heritage that they put in the homes across this Province, if you sent this out, Sir, the people would look at it and say, 'What is going on up there. Is that crowd cracked?' Mumbo jumbo, legal jargon that nobody understands and will do nothing - that is not disrespectful, Sir, of the people who drafted the bill. I am sure that hon. members of this House if they were to appear before the legal draftsman and ask, 'What does this bill mean?' I do not think they would be able to then even though we are the law makers. We are the ones who are passing this legislation. We do not understand it and I do not know if the minister understands it or not if the minister

MR. NEARY: just saw it for the first time, So it will do nothing for the ordinary people of this Province, Mr. Speaker, but nevertheless, in our simplicity and in our ignorance we will go along with it and we will take the word of the minister that it is a worthwhile piece of legislation, and we do not know whether it is or not.

MR. NOLAN: Mr. Speaker.

MR. SPEAKER: Before recognizing the hon. gentleman, I welcome to the gallery a distinguished visitor to the Province: Je suis très content aujourd'hui de présenter aux députés dans la Chambre, Monsieur Edmond Delaye, vice-consul de la France pour les provinces Atlantiques. C'est la première visite de Monsieur Delaye dans notre province. Je voudrais vous assurer, Monsieur de l'amitié historique entre La Terre-Neuve et la France, et surtout de l'amitié traditionnelle entre le peuple terre-neuvien et nos voisins, les st. pierrais. Je suis bien heureux, de la part de tous les députés, d'accueillir M. Delaye à la Chambre législative.

SOME HON. MEMBERS: Hear, hear!

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

MR. NOLAN: I thank my hon. friend from Harbour Grace for the applause, Mr. Speaker.

I only rise on one matter and that is in reference to trusts generally, and whether it is a trust company or a lawyer holding funds in the name of a client and what protection the client has to see that they are in fact, protected; what is incumbent upon the Minister of Justice or a lawyer or a trust company to see to it that any funds that may be deposited by a lawyer or a trust company in his or her name; what kind of interest it is accruing; and what protection the client

MR. NOLAN: has to protect him from unscrupulous professionals. And I would like to have the answer to that, because there is much that has been stated about this in sort of an agonizing way in the past and, you know, grand sounds made about reforms that are necessary in this regard. I do not mean to delay the passing of this bill in any way, as the hon. the House Leader opposite knows, but this is a matter that I feel deserves the attention of this House.

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: The comments made by the hon. the member for Conception Bay South are very valid except that they do not relate to this bill. But to set his mind at ease, the trust relationships in this Province between any trustee and his or her client is governed by the Trustee Act. This bill simply, Mr. Speaker, is this, that the Royal Trust Company had been incorporated under a provincial Act - I think it was the Province of Quebec.

It is now the Royal Trust Corporation of Canada, incorporated under a federal statute. This is simply being introduced. I know of at least one province that has already passed the legislation, and my understanding is that most, if not all other provinces will be doing likewise to protect the residents in each province in their relationship or agreements or trust that they have already signed with the Royal Trust Company.

I thank hon. gentlemen opposite for their co-operation and move second reading.

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On motion, a bill, "An Act To Convey Certain Trusts And Properties In The Province To The Royal Trust Corporation Of Canada," Bill No. 28, read a second time, ordered referred to a committee of the Whole House now by leave.

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN:

Order, please!

Bill No. 28.

A bill, "An Act To Convey Certain Trusts And Properties In The Province To The Royal Trust Corporation Of Canada," (Bill No. 28).

On motion, Clauses (1) through (14), carried.

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

MR. HICKMAN: Order 8, bill no. 5.

MR. CHAIRMAN: Bill 5, clause 9.

The hon. member for Eagle River.

MR. STRACHAN: Mr. Chairman, may I indicate to the Minister of Justice, the House leader, that when we have the reading of the principle of the bill he indicates to us quite clearly that debate on the clauses should come on the next reading of the bill, and then when the next reading of the bill comes he indicates to us that we should not be arguing it, we should have done that when we were debating the principle of the bill.

MR. SIMMONS: He earned his nickname.

MR. STRACHAN: No. In fact, may I say to the Minister of Justice maybe if he wishes to do some duties and so on, I had information given to me for instance that I was discussing earlier on -

MR. SIMMONS: Well earned. Well earned.

MR. HICKMAN: I can hold my head high in any part of this Province, and do not ever forget it, in any part.

MR. STRACHAN: Maybe the Minister of Justice would like -

MR. SIMMONS: On a point of order.

MR. CHAIRMAN: Order, please! Order, please!

A point of order.

MR. SIMMONS: Mr. Chairman, the minister is unduly touchy again today. I have having another little private conversation with my good buddy from Eagle River -

MR. MURPHY: You are always trying to ruin this House. Sit down, boy.

MR. CHAIRMAN: Order, please! Order, please!

A point of order is before the Chair.

MR. NEARY: Why did you not stay down in Sarasota. Everything was going so well when the hon. gentleman was down in Sarasota.

MR. CHAIRMAN: Order, please! Order, please!

When a point of order is before the Chair, the Chair has difficulty in understanding a point of order unless one hon. member only is speaking. The hon. member.

MR. HICKMAN: you try and make certain that the legislation is made as clear and unambiguous as possible and I have no hesitancy in saying that right now in this Province, we have servants of this House, a legislative division, that knows no peer anywhere.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: In getting back to the Minister of Justice and the House Leader, I am stating that surely then the minister will agree

MR. STRACHAN:

that legislation of this nature, which is extremely complicated and difficult to put into form, and once it is put into form I think it is complicated on the layman. Surely it is our duty then if we think there is a loophole, we are not questioning the loophole for any other reason than we think, is there a possibility of a loophole there? Is there a possibility of a loophole here? Surely then under this committee stage that is the purpose of the committee to finally go through the bill and discuss it.

MR. HICKMAN: Right.

MR. PECKFORD: Absolutely. I could not agree with the hon. gentleman more. I understood that the purpose of committees that we have been having over the last number of years since the legislature came into existence was there for that very purpose and I think the hon. member for Eagle River has articulated the obvious.

On motion, Clause 6 and 7, carried.

MR. STRACHAN: On Clause 8.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: I wonder whether the minister could explain to us or describe to us the scale here of payments and whether in other provinces this matches payments made by the provinces and whether we are hopefully encouraging - I understand full well this is not a revenue bill. This is a bill for the encouragement of exploration on mineral holdings. I am wondering whether the penalties involved in the encouragement of this are high enough. For instance, the example he gave was the 14,000 acres owned by IOC, I believe, for which they would only pay \$3,000 a year. Obviously \$3,000 a year for 14,000 acres of prime mineral holdings, which are being developed at the moment - there is no argument. I am not arguing IOC's case but I am wondering whether there are 14,000 acres held by some other groups elsewhere or larger tracts whether this is sufficient, \$3,000 per year is sufficient or whether by pure speculation and by capital gains and by selling on the markets and

MR. STRACHAN: so on that this \$3,000 they would have to pay, or \$5,000 or \$10,000, would be mere flea bites compared to the speculation that they could do on the transfer of sales of their mineral holdings.

So I am wondering, number one, whether that is sufficient and, number two, whether it is in comparison with other provinces whether this comes in line with other provinces who have possibly a mineral impost bill and who have possibly been carrying on this procedure for a considerable time. It does bother me in some way because we do, as we know, from our royalties on minerals get very, very little out of our royalties. You know, I have made the point before and it should be a salient point, I think, that we pay more in taxes as normal people of this province for beer, for tobacco and for our driver licenses put together, we pay more in taxes in this province than the mineral companies, the mining companies pay in taxes to this Province. I think that this is the relationship on that. Are we getting enough out of it? Are we encouraging enough? Is it sufficient? Is this scale of payment sufficient to encourage?

And also the last point is that our sliding scale that we are talking about, is there a possibility of encouraging exploration that there maybe any kind of sliding scale, or is it necessary? Does the minister think it is necessary to have such a sliding scale for very large holdings? Because as we have obviously shown there are a number of different areas in this; people who hold small holdings privately who are not interested in mineral exploration and the land may have not been of any importance mineral-wise. And then there are companies which hold small acreages and then there are companies who hold very large, sizeable acreages. So there is obviously to me three different levels, just superficially three different levels. Possibly it may be that a different scale would be applied at different levels to encourage exploration. I would think definitely the companies holding large acreages that maybe is this scale sufficient? Or in the intermediate level, is this

MR. STRACHAN: scale sufficient of payment? I wonder if the minister could indicate that to me.

MR. CHAIRMAN: The hon. minister.

MR. PECKFORD: The point here, Mr. Chairman, is that we are not trying to accommodate and include under this act all the various sizes of concession areas. As the preamble points out: "Whereas heretofore some large tracts of minerals were conveyed in grants of land," and I think that is the key. We are,

MR. PECKFORD:

the first instance - and this Act addresses itself primarily to that - in the first instance looking at those companies who have large tracts which are also covered under this Act incidentally rather than deliberately, the company or the individual on very small tracts of land and saying, 'Oh, gosh, that is a very small amount of tax he has to pay, that is going to do very little.' Well, the whole intent of the Act is not that anyway.

MR. STRACHAN:

That is right.

MR. PECKFORD:

The whole intent of the Act is to get Brinco, to get Nalco, to get LM and E, to get Reid - these are the main ones. Now, as we go down the road undoubtedly the intermediate and small tracts which are not really addressed in this Act, because there are only very small amounts of taxation having to be paid, we might have to relook at that and bring in special amendments either on this Act or by another Act to deal with it if we see that a sufficient level of exploration is not taking place, but in the first instance we are more concerned with all those large tracts on which nothing has been done to any great degree. And let us get that moving and then move on to the intermediate and the small, as the hon. member indicates. And I think that is the whole intent of the bill, to get at the very large tracts first. Let us get that moving, let us get a certain level there. Let us say that Princo has to spend \$4 million in 1979 and go all the way up to \$18 million.

So in the context of dealing with large tracts of land I think the levels of taxation imposed are sufficient and adequate to do what we want to do.

MR. PECKFORD: Insofar as it applies to the intermediate and small acreages, I would tend to align myself with the hon. the member for Eagle River (Mr. Strachan) and say that perhaps not, knowing full well that that is not the intent in the first instance. And I think that we have to address ourselves to the intermediate and the small later on in a better way, in a more intense and concentrated way, because we are not really getting at those here. We are really getting at the real large tracts, see how that works and then move in on the intermediate and small, and in that context I agree with the hon. the member for Eagle River.

MR. STRACHAN: I would like to thank the minister. That was the whole intent of what I was at, that this bill as such is designed - I understand full well it is designed to encourage exploration, it is not a revenue bill - but as I stated, the bill is designed with a specific purpose in mind, and in that way, therefore, the bill in some ways is quite a narrow bill -

MR. PECKFORD: Yes.

MR. STRACHAN: - in that -

MR. PECKFORD: It is designed that way.

MR. STRACHAN: - it is designed that way.

MR. PECKFORD: Right.

MR. STRACHAN: And that is my whole argument, that when we look at the Mineral Impost bill as we see it here that we would think that it is all-encompassing.

MR. PECKFORD: Right.

MR. STRACHAN: And I do not want to leave the impression that this bill is all-encompassing because it is not.

MR. PECKFORD: No, I agree.

MR. STRACHAN: And that is the basic argument I had.

MR. STRACHAN: Okay, I accept the minister's point there. Could the minister answer me the question that I asked on the relationship between other provinces? Does the minister have any idea on that?

MR. PECKFORD: That other point there: There are not many provinces or jurisdictions that have the kind of situation that we have as it relates to long-term concession areas. So that is one of our problems. That is why it took us a bit of time, because we do not have a totally similar situation everywhere else. When it came to the Mineral Act and the Mineral Quarries Act, yes, there are a lot of parallels and a lot of similarities and we could compare and contrast what we are doing, but in this particular instance where we are talking about the Brincos and Reid Newfoundlands of this world, there are not parallel situations and, as I understand it, there is no similar kind of legislation in other provinces because they did not have near to the same degree the concession systems that we had, and the Reid Newfoundland fee simple mining grant situation near the degree so

in the other provinces their normal mineral acts apply to larger tracts of land than ours do, As somebody mentioned last night, you know, a lot of the area in Newfoundland, over 50 per cent - I think the hon. the member for Eagle River (Mr. Strachan) did - is under the concession area and that our Mineral Act, which can stand on its own with any in Canada, applies to smaller amounts of land in proportion to the total than it does anywhere else in Canada. In most parts of Canada the normal mineral act would apply because they have no special concession agreements in those provinces to the same degree that we have. So we were a tiny bit strapped in assessing and

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MR. PECKFORD: bringing about rates which we thought could be reasonable. And these rates, the companies are extremely unhappy with them, which is normal. So when one says, Is it high enough or is it low enough? I would just like to put on the record that the companies involved are not at all happy with the levels that we are setting here now.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: I agree with the minister in that interpretation, you know, in his statement there that the company is obviously a nut firm. No company is going to be happy with any imposition of anything, whether they feel it is a tax or, as the minister has stated, is not revenue. And I am sure the companies have argued that it is purely for revenue, that 'Now you are trying to scrap us as well, when in essence what we are trying to do - I think this is a serious bill because 52 per cent of the Island, and I got my figures straightened out -

MR. PECKFORD: Yes, a little over 50 per cent.

MR. STRACHAN: Fifty-two per cent of the Island of Newfoundland and 41 per cent of Labrador is either owned or rented by companies. In other words, half of this Province is owned or rented by companies. And this bill therefore affects all of us and it is a serious, serious bill. It is important that in future and from now on that whatever occurs in the area of minerals that this Province extracts the maximum we can. And it would be foolish for us to think that we must be generous to the point of stupidity with companies. And companies will always complain but it is noticeable that companies will also go to other jurisdictions in which they have even stricter regimes, as we have seen with the oil and gas. So I think it is an important bill.

I wonder if the minister could explain to me section 4 of 8 and I have a specific example here. 'Where two or more persons' - or obviously two or more companies, I would imagine or I would take it to read, and I am wondering whether one pays the tax. For instance, I could say Shell and Commodore, for instance, to give two examples. But I am wondering whether if Shell pays the tax, and they would only be paying tax if they did not explore -

MR. PECKFORD: Remember now, this says persons and I do not think it is the same as saying companies.

MR. STRACHAN: I wonder if he could explain then if it says persons

MR. STRACHAN:

I wonder if the definition - we will get back to persons then - what a person is defined as. But to me it is critical. For instance, are we imposing on companies or persons, two persons who have an agreement, can that person say, well I pay the tax and therefore you will forfeit your right because I am the taxpayer. And therefore could the legislature or the Department of Justice find itself in court establishing the fact that it has given the right to one person to forfeit that claim because he was the person paying the tax although that person may not have been holding up other parts of their contractual agreements. To me this seems to be something which states forfeitures and states rights and so on outside of contractual agreements. To me I wonder if the minister could explain that, I am no lawyer, I am just an ordinary fellow in that way, but I would like to have an explanation of this because it is important the way I see it, you know, that there could be - that is as I read it. Or maybe the minister could explain it, read it to me and explain it to me or maybe the Minister of Justice.

AN HON. MEMBER: Is it carried?

MR. PECKFORD: No, I am just trying to read it to get the answer for the hon. member. I am not a lawyer either and I cannot just at a moments notice, "Where two or more persons are liable in any year for the tax upon the mineral holding, each such person is jointly and severally liable therefor; but the person who pays the tax has a right of relief therefor against the other persons in such manner as may be provided in any agreement between them or, in the absence of any agreement, in like manner as if each of them were jointly liable for the tax in equal proportions."

MR. HICKMAN: Want me to answer?

MR. PECKFORD: Okay, go ahead.

MR. HICKMAN: I can answer that for you.

MR. STRACHAN: Yes, sure.

MR. HICKMAN: You have a partnership and a partnership agreement may

MR. HICKMAN:

arrange that they are equal partners or they may be seventy-five, twenty-five. As far as the enforcement of this act is concerned the Crown does not have to enquire into the relationship between the two partners. There is a joint and several liability. If one partner comes along and pays the full amount that partner can turn to the other and say reimburse me.

MR. STRACHAN: I understand that in the case of a person. What I was asking -

MR. HICKMAN: Or corporations.

MR. STRACHAN: Or companies?

MR. HICKMAN: Yes.

MR. STRACHAN: Could a company be a person?

MR. PECKFORD: A person as defined under the act is under 2 (i), "Person includes any unincorporated association of persons, however designated."

On motion Clause 8 carried.

MR. STRACHAN: Clause (9).

MR. HICKMAN: Do you have a question on clause (9)?

MR. STRACHAN: Yes.

MR. HICKMAN: I think we have to rise the Committee.

MR. STRACHAN: You want to rise the Committee?

MR. HICKMAN: If this is going to take a little while.

MR. PECKFORD: Yes, you had better rise the Committee.

MR. NEARY: Mr. Chairman, I move that the Committee rise and not report.

MR. HICKMAN: Mr. Chairman, I move that the Committee rise, report progress and ask leave to sit again.

MR. NEARY: No, Mr. Chairman, there is a motion already before the Chair, Your Honour. I move that the Committee rise and not report, Sir. I just moved it.

MR. CHAIRMAN: That is a debatable motion.

MR. NEARY: That is not debatable.

Mr. Chairman, what is going on? What is going on?

MR. CHAIRMAN: Order, please!

MR. PECKFORD: Mr. Chairman, I would like to know the present status of the Committee and whether in fact there is a motion before the Chair or not?

MR. CHAIRMAN: I shall try to ascertain if -

MR. NOLAN: To the point of order, Mr. Chairman.

MR. CHAIRMAN: Point of order.

MR. NOLAN: I think it is quite obvious we do not appear to know what we are doing so it is time that we found out. I mean what the hon. member is attempting to get across is he is trying to the best of his ability to give us information on the act in answer to my hon. friend and so on. We are now here. We understood we were going to rise the Committee and I understood for the purpose - is that right? - of having a guest make an appearance in the House and be acknowledged by the hon. the Speaker. But we now find that we are now wandering back and forth so perhaps we can get it

MR. NOLAN: straight, see where we are going from here.

MR. NEARY: To that point of order, Mr. Chairman.

Mr. Chairman, I was the one who had the motion that the Committee rise and not report and that motion is not debatable, Mr. Chairman, not debatable, n-o-t not debatable. Now the motion should have been put, it should have been put at the time. It should have been put immediately, according to the rules of this House.

AN HON. MEMBER: Right. Right.

MR. CHAIRMAN: Order, please! I did not recognize the hon. member.

MR. NEARY: No? What was I, invisible?

MR. CHAIRMAN: Order, please!
The point of order I feel is just more a point of explanation.

It is moved that the Committee rise and report no progress and ask leave to sit again; all in favour "Aye," contrary minded, "Nay," I feel the "Nays" have it.

MR. HICKMAN: I move that the Committee rise, report progress and ask leave to sit again.

On motion that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bills No. 4, 13, 14, without amendment and ask leave to sit again, and Bill No. 8.

MR. SPEAKER: I will ask the hon. Chairman to make another report.

MR. NEARY: Do they know what they are doing, Mr. Speaker?
Get a leader in the House.

MR. MORGAN: There is too much noise with biz mouth over there.

MR. NEARY: A point of order, Mr. Speaker.

The hon. Minister of Tourism, Sir, has been ruled out of order more often in this session of the House than any other gentleman on that side or on this side of the House. And the hon. gentleman knows, Sir, it is a violation, a very serious violation of the rules of this hon. House for an hon. gentleman to speak from any other seat other than his own and I would ask Your Honour to direct the hon. gentleman to observe the rules of the House. If the hon. gentleman wants to speak, that he stand in his place the same as every other member is compelled to do and that it be done in his own seat.

MR. SPEAKER: On the point of order. Obviously hon. members when speaking and recognized must be in their own seat.

The hon. Chairman of Committees.

MR. CHAIRMAN: Mr. Speaker, to clarify my first report, the Committee of the Whole have considered the matters to them referred and has directed me to report having passed Bills No. 4, 13, 14 and 8 without amendment, and ask leave to sit again.

On motion report received and adopted and Committee ordered to sit again presently.

MR. HICKMAN: By leave third readings of Bills 4, 13, 14 and 8.

On motion, a bill, "An Act To Empower The St. John's Municipal Council To Raise A Loan For Municipal Purposes By The Issue Of Bonds," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 4).

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MR. HICKMAN: Order 14 - Bill No. 28.

Motion, second reading of a bill, "An Act To Convey Certain Trusts And Properties In The Province To The Royal Trust Corporation Of Canada." (Bill No. 28).

MR. NEARY: Mr. Speaker, I will save the hon. gentleman a bit of time. We are going to go along, Sir, with the passing of this bill because the minister indicated before the bill arose that this bill is being introduced in the other Provinces of Canada at the same time this bill is being introduced here. We are not sure of that, Sir. We have to take the hon. gentleman's word for it but we are still not sure of it. And the explanatory note says the purpose of this bill is set out in the long title and the long title is an act to convey certain trusts and properties in the Province to the Royal Trust Corporation of Canada. I am sure, Sir, over on the green on Bell Island they will all certainly welcome this bill. Down in my hon. friend's district, down on Flower's Hill, the people will be dancing in the streets tonight because of this piece of legislation. This is typical, Sir. And down in Grand Bruit and down on the great Northern Peninsula in Port au Choix, up in Nain -

MR. STRACHAN: Bonfires.

MR. NEARY: -there will be bonfires, there will be guns fired off, balloons flying and firecrackers in the air, fireworks because this piece of legislation has been brought in by this administration which is typical, Sir, it is typical of the kind of legislation that we have gotten so far in this session of the House. We had one piece of legislation I believe that is going through a Committee of the Whole now that has some merit, only one so far. But this is typical of what is on the Order Paper, Sir. It will do nothing, absolutely nothing for the ordinary people of this Province. If you passed it around, if you put it in every home, like they are doing now with the Norma and Gladys document that they are sending out to every school child in Newfoundland and the Norma and Gladys and the Newfoundland Heritage that they put in the homes across this Province, if you sent this out, Sir, the people would look at it and say, 'What is going on up there. Is that crowd cracked?' Mumbo jumbo, legal jargon that nobody understands and will do nothing - that is not disrespectful, Sir, of the people who drafted the bill. I am sure that hon. members of this House if they were to appear before the legal draftsman and ask, 'What does this bill mean?' I do not think they would be able to then even though we are the law makers. We are the ones who are passing this legislation. We do not understand it and I do not know if the minister understands it or not if the minister

MR. NEARY: just saw it for the first time, So it will do nothing for the ordinary people of this Province, Mr. Speaker, but nevertheless, in our simplicity and in our ignorance we will go along with it and we will take the word of the minister that it is a worthwhile piece of legislation, and we do not know whether it is or not.

MR. NOLAN: Mr. Speaker.

MR. SPEAKER: Before recognizing the hon. gentleman, I welcome to the gallery a distinguished visitor to the Province: Je suis très content aujourd'hui de présenter aux députés dans la Chambre, Monsieur Edmond Delaye, vice-consul de la France pour les provinces Atlantiques. C'est la première visite de Monsieur Delaye dans notre province. Je voudrais vous assurer, Monsieur de l'amitié historique entre La Terre-Neuve et la France, et surtout de l'amitié traditionnelle entre le peuple terre-neuvien et nos voisins, les st. pierrais. Je suis bien heureux, de la part de tous les députés, d'accueillir M. Delaye à la Chambre législative.

SOME HON. MEMBERS: Hear, hear!

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

MR. NOLAN: I thank my hon. friend from Harbour Grace for the applause, Mr. Speaker.

I only rise on one matter and that is in reference to trusts generally, and whether it is a trust company or a lawyer holding funds in the name of a client and what protection the client has to see that they are in fact, protected; what is incumbent upon the Minister of Justice or a lawyer or a trust company to see to it that any funds that may be deposited by a lawyer or a trust company in his or her name; what kind of interest it is accruing; and what protection the client

MR. NOLAN: has to protect him from unscrupulous professionals. And I would like to have the answer to that, because there is much that has been stated about this in sort of an agonizing way in the past and, you know, grand sounds made about reforms that are necessary in this regard. I do not mean to delay the passing of this bill in any way, as the hon. the House Leader opposite knows, but this is a matter that I feel deserves the attention of this House.

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: The comments made by the hon. the member for Conception Bay South are very valid except that they do not relate to this bill. But to set his mind at ease, the trust relationships in this Province between any trustee and his or her client is governed by the Trustee Act. This bill simply, Mr. Speaker, is this, that the Royal Trust Company had been incorporated under a provincial Act - I think it was the Province of Quebec.

It is now the Royal Trust Corporation of Canada, incorporated under a federal statute. This is simply being introduced. I know of at least one province that has already passed the legislation, and my understanding is that most, if not all other provinces will be doing likewise to protect the residents in each province in their relationship or agreements or trust that they have already signed with the Royal Trust Company.

I thank hon. gentlemen opposite for their co-operation and move second reading.

On motion, a bill, "An Act To Convey Certain Trusts And Properties In The Province To The Royal Trust Corporation Of Canada," Bill No. 28, read a second time, ordered referred to a committee of the Whole House now by leave.

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN:

Order, please!

Bill No. 28.

A bill, "An Act To Convey Certain Trusts And Properties In The Province To The Royal Trust Corporation Of Canada," (Bill No. 28).

On motion, Clauses (1) through (14), carried.

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

MR. HICKMAN: Order 8, bill no. 5.

MR. CHAIRMAN: Bill 5, clause 9.

The hon. member for Eagle River.

MR. STRACHAN: Mr. Chairman, may I indicate to the Minister of Justice, the House leader, that when we have the reading of the principle of the bill he indicates to us quite clearly that debate on the clauses should come on the next reading of the bill, and then when the next reading of the bill comes he indicates to us that we should not be arguing it, we should have done that when we were debating the principle of the bill.

MR. SIMMONS: He earned his nickname.

MR. STRACHAN: No. In fact, may I say to the Minister of Justice maybe if he wishes to do some duties and so on, I had information given to me for instance that I was discussing earlier on -

MR. SIMMONS: Well earned. Well earned.

MR. HICKMAN: I can hold my head high in any part of this Province, and do not ever forget it, in any part.

MR. STRACHAN: Maybe the Minister of Justice would like -

MR. SIMMONS: On a point of order.

MR. CHAIRMAN: Order, please! Order, please!

A point of order.

MR. SIMMONS: Mr. Chairman, the minister is unduly touchy again today. I have having another little private conversation with my good buddy from Eagle River -

MR. MURPHY: You are always trying to ruin this House. Sit down, boy.

MR. CHAIRMAN: Order, please! Order, please!

A point of order is before the Chair.

MR. NEARY: Why did you not stay down in Sarasota. Everything was going so well when the hon. gentleman was down in Sarasota.

MR. CHAIRMAN: Order, please! Order, please!

When a point of order is before the Chair, the Chair has difficulty in understanding a point of order unless one hon. member only is speaking. The hon. member.

MR. SIMMONS: Thank you, Mr. Chairman, for restraining the exuberant and well tanned member for Florida.

Mr. Chairman, the point of order I raise, I was having a little quiet tete-a-tete with my good friend from Eagle River (Mr. Strachan) about certain nicknames, a subject I would like to pursue at length and the Minister of Justice loses his head once again, Mr. Chairman, and tells us how high he can hold that head. But we know all that, Mr. Chairman. We notice how high he holds his head. The point is this there is an implication in what the minister said that there may be some in the House who cannot hold their head as high. I ask him now to indicate whether he was implying that I could not hold my head high in any part of the Province which I tell him forthrightly and without fear of contradiction I can. And that sly trick that he has of being very pontifical and at the same time using the most gutter approach possible, sometimes wins him a few Oscars but is not going to be tolerated in this House, Mr. Chairman. And every time he pulls that stunt he is going to be interrupted. He has implied, Mr. Chairman, in no uncertain terms that somebody over here - and if it is me I would like to know so I can defend myself - he implied that somebody over here cannot hold his head high. If he knows why we cannot or why I cannot, I challenge him to tell me why I cannot or to shut up and layoff this gutter type approach that he is so good at.

MR. HICKMAN: Mr. Chairman, to that non point of order. The hon. gentleman, if there is one hon. member in public life in the free world today who has long since abdicated the right to talk about others using gutter language it is the hon. the member for Burgeo-Bay d'Espoir (Mr. Simmons).

SOME HON. MEMBERS: Hear, hear!

MR. HICKMAN: All I am saying is, and I repeat it, that I have no hesitancy in going in any part of this Province and I will defend my reputation against anyone's. And if I may refer to the phrase so oft quoted by the hon. the Opposition House leader when these facetious points of order are raised, as he always says, 'If the cap fits, wear it.' And I can rely on no greater authority than

MR. HICKMAN:

the gentleman who leads the Liberal Party in this Province right now, his words.

MR. NEARY: I would like to -

MR. CHAIRMAN: Order, please!

I have heard argument from both sides of the House. The hon. member for Burgeo-Bay d'Espoir (Mr. Simmons) brought up the point of order and the hon. House leader was implicated in the point of order. I would allow further discussion if I felt there was a point of order before the Chair but I think the Chair clearly has to rule that there was an area of disagreement between the two members here that the Chair does not enter into this.

The hon. member for Eagle River.

MR. STRACHAN: I was just about to say to the Minister of Justice.

I notice that the French consul, I believe, was sitting in the gallery but has now left.

MR. STRACHAN: but the minister mentioned here about quotations and I noticed in his budget speech he had the quotation of, "Viva la Terre Neuve Libre!"

MR. HICKMAN: Vive.

MR. STRACHAN: Vive is it? Whatever it is, anyway it makes no difference. We all understand what it means. A follow up from President De Gaulle's statement in Quebec. I would like to inform the minister -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please! Order, please! I do have difficulty in following the hon. member's remarks because of other remarks and interjections.

The hon. member for Eagle River.

MR. STRACHAN: I would like to inform the minister possibly that if he wishes to have "Vive la Terra Neuve Libre!", that maybe some information I have received this morning that residence in Labrador City, who are Quebec people, are now being issued licences from Quebec with the name Labrador City - Nouveau Quebec and, in fact, are being arrested by the RCMP and are pleading their case in courts on the basis that they are being issued by the Province and I think that -

MR. PECKFORD: Information that we gave here yesterday.

MR. STRACHAN: Sure, no argument, maybe the Minister of Public Works and Services would like to know as well that the Fermont Municipal Police have now got pictures given to the CBC of striking workers working on the roads in Labrador West. And maybe I would pass that on.

Mr. Speaker, back to what we are supposed to be talking about, which I have every right to talk about, the deduction from tax, section (9). I am wondering how the minister can explain to us exactly how this is going to work. He says that in order to have deduction from tax we will therefore have to have very accurate figures given to us or know exactly the expenditures of companies on mineral holdings and I am wondering how this is done?

MR. STRACHAN: In the cases of some companies as we know, the companies are very adept at their figures, they are very adept at subsidiary companies, throwing things over, back and forth and I am wondering whether he can assure us that we will know, for instance, that a company is expending that money in an area rather than just doing nothing, for instance, or doing very little and showing in a financial statement that they committed funds which they have not really used in that area.

I am also, in deduction from tax, interested again in the Reid Newfoundland situation of deduction from tax -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Order, please! Order, please! Order, please! The hon. member, I think, is clearly indicating that he is having difficulty making his remarks.

The hon. member for Eagle River.

MR. STRACHAN: I am wondering whether the minister could indicate to us in the Reid Newfoundland case, deductions from tax, exactly how the deduction is going to be made? Is it going to be made first, as in their case they are trying to sell their holdings to government? The government has now come in with a bill with a specific purpose, in their case of taxing them, forcing them therefore to forfeit their lands if they do not pay their tax, I am wondering exactly how that deduction from tax would be carried out in the case of Reid Newfoundland for instance? I am wondering if the minister could explain that.

MR. MORGAN: - for the Province, I can tell you that.

MR. NEARY: Yes, there is no doubt about that, high in the clouds of a government helicopter.

MR. PECKFORD: Mr. Chairman, I have no intention of continuing unless there is silence.

MR. CHAIRMAN: Order, please! The hon. minister is insisting on silence as is his right whilst he makes his remarks.

The hon. Minister of Mines and Energy.

MR. SIMMONS: (Inaudible).

MR. PECKFORD: Mr. Chairman, I do not intend to continue unless there is silence.

MR. CHAIRMAN: Order, please! The Chair must now enforce the rule, of course, because the Chair has no other choice. And hon. member has requested silence for his remarks and this is his right clearly in the Standing Orders. But I do ask the Committee to co-operate.

The hon. Minister of Mines and Energy.

MR. PECKFORD: Mr. Chairman, thank you very much.

Two points here; one as it relates to the mining companies and the guarantees we have that they will give us the proper information. I think it is covered under section eleven where they have to give a statutory declaration of same. Of course, you cannot count the coins or the bills that they are going to - you can only go by information and documents that they table or that we insist they give us to ensure that they have spent the money and if not then they have to pay the tax. So, I mean, you can only do it by those means. It will be tangible evidence and there will be statutory declarations issued which ensure that they are swearing, that they are telling the truth kind of thing.

MR. SIMMONS: Mr. Chairman, I am trying desperately to hear what the member for Green Bay, the Minister of Mines and Energy is saying on this important bill -

MR. CHAIRMAN: Order, please! I presume this is a point of order. A point of order.

MR. SIMMONS: I am rising on a point of order, Mr. Chairman, I am trying to hear what the minister is saying on this important piece of legislation. We have now another example where the Minister

MR. SIMMONS: of Tourism is interjecting, interrupting the proceedings of the House, I cannot hear a word for his gibberish -

MR. NEARY: Harassing the House.

MR. SIMMONS: I would ask you, Mr. Chairman, to direct the Minister of Tourism to be quiet so that we can hear what his colleague, the Minister of Mines and Energy has to say about this important piece of legislation. This is becoming an absolute disgrace.

MR. F. WHITE: Hear, hear!

MR. MORGAN: Mr. Chairman, on a point of order. I have been

MR. MORGAN: quietly sitting here listening to my colleague but the conversation over there between the hon. gentleman's two colleagues is so - The conversation over there is interrupting the hon. gentleman so move to some other seat but there is no interruption from this side of the House.

Those specious points of order are a waste of time of the House.

MR. CHAIRMAN: Order, please! Again this brings up the point that at certain times interjections do have to be ruled upon by the Chair. At other times, perhaps, they do not because it is clear that the hon. members on each side of the Committee are expecting them. But where they are not expected and, in fact where they are requested to be protected against interjection the Chair has no other course but to insist upon it. And I would rule that any further interjection will be immediately ruled out of order.

The hon. minister.

MR. PECKFORD: Mr. Chairman, I was trying to get to the points that I think were covered as it relates to being able to demonstrate so through the various sections of this act we will, in fact, be able to ascertain correctly how much expenditures a given company makes on its acreage and whether, in fact, it is liable to pay any tax because it does not meet all the provisions of the act. That is number one. Number two, in the case of Reid Newfoundland - Reid Newfoundland is no different than anybody else and when they submit their returns under section 11 and so on if, in fact, they have not expended funds sufficient to overcome the amount of taxation that they are liable under the act well then the difference has to be paid or whatever. There is no difference and once again they have to go through the same process and procedure under section 11 as do all the other companies. So they will be taxed accordingly and will have to come under the same provisions.

MR. STRACHAN: Could the minister indicate then finally in this session -

MR. CHAIRMAN: The hon. member.

MR. STRACHAN: Could the minister indicate if the company spends a considerable amount of money in a particular year, much, much more, for instance, than is required under this act whether that amount of money expended can be - I do not know what the word is in economics but it can be put over a number of years against taxes for future years -

MR. PECKFORD: Carried over.

MR. STRACHAN: - carried over so that they therefore would not be liable for taxes. Because it could be a situation, for instance, that this is a way around it, that if a company does spend a lot of money one year it could for the next ten years sit and do nothing. I wonder whether exactly on this business whether he could answer it or not?

MR. PECKFORD: I guess that is a possibility if, in fact, they spent that much money. But if - I have to go back to the original intent of the bill - you are dealing with the larger concession holders and they would have to spend an awful lot of money in one year, which would be completely unrealistic, in order for them to be able to carry over sufficient to allow them to do very little for the other years. The only place where this is applicable in reality would be with the very small holders and we are not that concerned about them in any case as it relates to this bill and we will get to them later if, in fact, there is not a high level of exploration activity there. So whilst the point is true in theory I do not think as it relates to four or five large companies with the large tracts of land that it is valid in reality or in practice as it relates to this bill now or as we perceive it in the next four or five years.

MR. CHAIRMAN: The hon. member.

MR. STRACHAN: I understand the minister's explanation very well there. For instance Minex Uranium have spent a considerable amount of money in the Kitts-Michelin area and elsewhere there, I am wondering - for instance, they have now slowed down because of various reasons and are starting to look at it again - but I am wondering if

MR. STRACHAN: in two years or so they can do a lot of work and if they decide that they do not want to continue, or if they decide that their agreements with the West German companies or whatever other companies that they have - surely this is a loophole then that they could manage to sit in after ten years which would circumvent the purpose of the bill and that is what I am concerned about, methods of circumventing the purpose of the bill.

MR. PECKFORD: The example is an excellent one because that is the example I would have used if I had to continue to speak on it just a few minutes ago. The example is a good one because there is no way that Brinco can

Mr. Peckford: under this bill. And there is no way they could borrow the money or arrange the financing to spend sufficient funds to allow them to get out from under doing something in other years. Because the escalation built in here where it is \$4.7⁰ million and escalates up to \$18 million in 1981, in a very short period of time, it is just impossible. I mean, they would be talking about an awful expenditure of money, and it is not just realistic to believe that they could do it. I think this year they are talking somewhere about \$3 million on uranium development, for example, which therefore still leaves them another \$1 million that they are going to have to spend on the rest of their acreages in order to meet the basic minimums of the Impost Bill. So, you know, realistically it does not look like it is going to happen because the escalation - with the large tracts, with the large holders, and conceding and acknowledging automatically and readily the fact that the intermediate and small are not effectively covered because that was not the intent.

MR. STRACHAN: I wonder if the minister could then explain one last point to me here, and I will take the point of view of the companies, which is probably unusual for me, the corporations but in the case of Brinex which is the case we are using here, they pay \$4 million this year, and as the minister indicates it goes up to \$16 million to \$18 million in 1981, from a company point of view surely they must think or feel very strongly that this is a tremendous burden to pay, especially, for instance, if they are governed by the marketplace in which uranium cannot be sold or whether they feel that there is such a downplay in uranium or any other mineral, for instance copper. And I am trying to argue their point because there obviously has to be some balance. You know, one cannot be totally ruthless in any of these kinds of things. And I feel in some cases that we are not stiff enough, but I am wondering where the balance point is in companies who have shown good faith? I think that nobody can argue that Brinex in Labrador with their holdings have shown fairly good faith, as I understand it without knowing the specifics of it. I am wondering if companies like that which have and can indicate that the reasons

Mr. Strachan: are out with their control in the marketplace, that it would be, obviously, foolish for them to continue exploration or work on some mineral which obviously had a ten year, or looking down the road was a very low value commodity in ten years, whether there would be anything at all, any concessions, any agreements, or is there any provision within this Bill to discuss these kinds of situations?

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

MR. PECKFORD: No, only as it related to the carry over. We put that in there, and I guess that is one of the reasons why, you know, it has been put in there because you can carry over, which means then you can have that kind of reduction to take care of the valleys in the marketplace for them or a system because they had a huge expenditure. Now other than that they have to relinquish acreage, you know, it is the only other way out, which is the good tidy balance in any case. I mean they should then release some acreage to lessen the burden of the taxation, one. And two, then other aggressive smaller companies can get in there and take another look at it, another view point on it.

But outside the provision of carry-over they have to either pay or relinquish. And in that kind of circumstance, if you take that to its logical conclusion, that kind of circumstance the relinquishment procedure is the avenue, no doubt, that the company will take even though they would still disagree with us that they should be given the benefit of the doubt given the marketplace and you know, etc. etc. But the relinquishment procedure then is the one to follow.

MR. CHAIRMAN: The hon. member for Eagle River.

MR. STRACHAN: I think that is the point that I was trying to get at, and I think the minister answered there, was that I think that obviously they covered both angles.

MR. PECKFORD: Right.

MR. STRACHAN: The bill has in essence, and that is what I was really looking for, was whether it covered both angles. First of all,

Mr. Strachan: in the case of whether a company has had large expenditures and carried them out chiefly, and then covered other angles which they were using their holdings, small holdings for this kind of situation. And I understand full well now that under this section here, I am quite satisfied that what it is, is a move which is the intent of this bill.

MR. PECKFORD: Yes.

MR. STRACHAN: It is a move to reduce acreages.

MR. PECKFORD: Right.

MR. STRACHAN: And both angles are covered.

MR. PECKFORD: Let the marketplace get tough so that they will have to reduce the acreage.

MR. STRACHAN: Absolutely. No question about it.

MR. CHAIRMAN: Shall Clause (9) carried.

On motion Clause (9) carried.

On motion Clause (10) through Clause (14) carried.

MR. CHAIRMAN: Shall Clause (15) carry?

MR. STRACHAN: Clause (15), again I was interested in the Reid Newfoundland situation, in arrears,

MR. STRACHAN: interests and penalties and so on in this situation. I do not know if it was this section or whether it was in the negotiation stage.

AN HON. MEMBER: (Inaudible)

MR. STRACHAN: No, I will let it go through. I will get it at Clause (33).

On motion, Clause (15) through Clause (31), carried.

MR. CHAIRMAN: Shall Clause (32) carry?

MR. STRACHAN: Mr. Chairman.

MR. CHAIRMAN: The hon. the member for Eagle River.

MR. STRACHAN: I think we are getting into it now. The section that I was primarily interested in is this Forfeiture of Mineral Holdings -

MR. CHAIRMAN: Clause (32).

MR. STRACHAN: - and again we get back to the discussions that we had.

Obviously then the companies have no choice in holding large acreages or companies under intent of this bill must either pay or reduce their acreages -

MR. PECKFORD: Or spend.

MR. STRACHAN: - or spend, absolutely, no other way.

MR. PECKFORD: Right.

MR. STRACHAN: The only situation I am concerned about now - let us get down to the Reid Newfoundland situation.

MR. PECKFORD: Okay.

MR. STRACHAN: The Reid Newfoundland situation is a slightly different situation as I see it. And I do not know whether the Minister of Justice or the Minister of Mines and Energy can tell us the situation here, because there is a situation where they are discussing and having negotiations and I do not know if it is before the courts

MR. STRACHAN: or not, whether they have started to make their appeal route before the courts -

MR. PECKFORD: No.

MR. STRACHAN: - on the reselling of the land. They are selling back the rights to the land to the government of this Province. This is their move. Does this bill supercede or is it paramount especially in a forfeiture to any negotiations or ongoing negotiations in which somebody is trying to sell back? Because obviously the government can by waiting four or five years - and I would suggest they would not have to wait very long - in the Reid Newfoundland case, before, the large holdings they have had would be liable for very large sums of tax, very large sums of money.

I am wondering whether he could indicate - I accepted his situation in this - whether if somebody starts negotiation with government this therefore gives them a way out of paying tax or there cannot be any forfeiture of the land due to tax payable to it because there are ongoing negotiations which may be slowed down by various procedures.

MR. HICKMAN: - forfeiture of a mineral right.

MR. PECKFORD: Mr. Chairman, I hope the hon. member remembers that we are talking about forfeiture of a mineral right.

MR. HICKMAN: Not forfeiture of fee simple lands.

MR. PECKFORD: Not forfeiture of fee simple lands - it is a big difference. And what Reid Newfoundland has are grants and arrangements or agreements or whatever you want to call them, on land which covers a multiplicity of rights, if you will, a number of rights, one of which is a mineral right. And under this Act if they do not expend enough money to be equal to or more than the tax levy and they do not pay the tax and they do not relinquish the land

MR. PECKFORD: then under those sets of circumstances, through this provision they have to forfeit their mineral rights to the land.

MR. FLIGHT: Just the mineral right?

MR. PECKFORD: That is right. They can still continue negotiations with the Minister of Justice or the Minister of Forestry and Agriculture or whatever, for other rights that they want to sell to the Crown.

MR. FLIGHT: But if they are holding timber rights or other rights to that land and they forfeit the mineral rights, do they then by law have to allow a second party to come in and explore?

MR. PECKFORD: Yes.

MR. FLIGHT: Price (Nfld.) I am afraid is the same.

MR. PECKFORD: Yes, they do - in the same case, Price (Nfld.).

MR. STRACHAN: But in effect, what the minister is stating is that by this bill they forfeit their mineral rights that by a similar bill for other lands one could also do their forest rights and various things. Because as I saw, the Reid Newfoundland, it was almost like a native land claim when I first saw it. They had counted even the beavers and the minks and the rooks and the otters and the number of leaves on a tree -

MR. PECKFORD: And the kind of trees too.

MR. STRACHAN: -and gave a value to it and, in fact, extrapolated that value down a number of years and submitted a bill -

MR. PECKFORD: That is right.

MR. STRACHAN: - for \$37 million. And what I am stating here is that this bill obviously gets at the heart of the matter from a mineral rights point of view -

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MR. PECKFORD:

Precisely - only.

MR. STRACHAN:

- only - are there provisions going to be made in situations like this, not only for Reid Newfoundland - I am not going behind Reid Newfoundland, I am also the same for Brinex or any other large corporation -

MR. PECKFORD:

Right.

MR. STRACHAN:

- are there going to be

MR. STRACHAN: provisions made for similar bills

in order to force the movement in forests for instance -

MR. PECKFORD: Right.

MR. STRACHAN: - which is one of the real problems in this Province and if this works, it obviously has worked, then it would give also the right in forest, or water sources, ore and anything else.

MR. PECKFORD: All I can speak for now, which is relevant to this bill, and I cannot off the top of my head just remember how the forestry legislation applies to Reid Newfoundland and whether the rights on forestry follow the same procedures in that act as the mineral rights follow in this act. I cannot do it. But the point is well taken and I agree with the member whole-heartedly. You know I find no argument obviously because I am doing on the mineral side what the hon. member does on each side. So I will only speak for myself on that. Later the government will have to speak in a more general way for it.

MR. STRACHAN: Seeing it is close to one I would like to move the Committee rise.

MR. HICKMAN: I move the Committee rise, report progress and ask leave to sit again.

On motion that the Committee rise, report progress and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. SPEAKER (Dr. J. Collins): The hon. Chairman of Committees.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bill No. 28 without amendment, and has made further progress and ask leave to sit again.

On motion report received and adopted, Bill No. 28 to be read a third time now by leave.

MR. NEARY: Not by leave now, tomorrow, Sir.

MR. HICKMAN: No, Bill No. 28.

On motion, a bill, "An Act To Convey Certain Trusts And Properties In The Province To The Royal Trust Corporation Of Canada," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 23).

MR. HICKMAN: Mr. Speaker, I move that the remaining orders of the day do stand deferred and that this House on its rising do adjourn until tomorrow, Monday, at two of the clock, and that this House do now adjourn.

MR. SPEAKER (DR. J. COLLINS): It is moved and seconded that the House do now adjourn, is it the pleasure of the House to adopt the motion, those in favour "Aye", contrary "Nay", carried.

This House stands adjourned until tomorrow, Monday, at two of the clock.