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HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 P.M. - 6:00 P.M.
TUESDAY, DECEMBER 4, 1979

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Simms): Order, please!

On behalf of all hon. members, I would like to welcome to the House today and to the galleries, thirty-five members of the St. John's and Bell Island Boys and Girls Clubs, accompanied by six of their leaders. These young people are representing all the boys and girls clubs throughout the Province and are here today to mark the International Year of the Child, and to present hon. members scrolls commemorating this occasion. These scrolls will be distributed to all hon. members on behalf of the group, by the Clerks.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

OOO

MR. SPEAKER: The hon. Minister of Lands and Forests.

MR. MORGAN: Mr. Speaker, I stand on a point of privilege of the House of Assembly and I refer to the -

MR. MEARY: Statements by Ministers?

MR. SPEAKER: A point of privilege.

MR. MORGAN: - and I refer, Mr. Speaker, to the article in today's daily paper, The Daily News, which is headlined on the front page, and I can table the article. "Boozing press cannot do job: Meary". The article points out that the implication is left by the statement made in the House yesterday that the press gallery people are boozing to the point of being unable to carry out their duties and responsibilities in reporting from this House of Assembly.

It is a terrible impression - leaving the impression that they are a bunch of drunken lads.

MR. TUNN: Sit down.

MR. MORGAN: Because there is, in my view, no evidence, as one member of the House, no evidence to substantiate this kind of innuendo in charge, and because, Mr. Speaker, the press gallery is directly

MR. MORGAN: the responsibility, and under the jurisdiction of your office, the Speaker's Office. I think the matter should be clarified, or maybe investigated.

AN HON. MEMBER: An apology.

MR. MORGAN: And if there is no evidence, if there is no substantiation to back up the charge and the accusation made, that this House, through the means of the member who made the charge, should apologize to the press gallery.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: And, Mr. Speaker, I leave it to your decision as to what action to take from here. But I do firmly believe it is a breach of the privileges of this House of Assembly.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): The hon. member for the Straits of Belle Isle.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Mr. Speaker, to that - if it was a point - to that intervention by the Minister of Forestry and Agriculture (Mr. Morgan). First of all, of course, there certainly is no point of privilege and I will come back to that Your Honour. Secondly, the hon. gentleman, if he does not know by now, ought to know full well that it is improper to raise a point of privilege until and unless he is prepared to put down a substantive motion. Then if

MR. ROBERTS: Your Honour rules that the matter may go ahead on the basis that there is a prima facie point, then the motion is there to be debated because, of course, as Your Honour, has told us many times it is up to the House itself to decide what our privileges are. Your Honour in this sense speaks for the House. Your Honour does not decide what the privileges are, Your Honour leaves that to the House. So the gentleman from Bonavista South (Mr. Morgan), whatever mischief he is about has failed to achieve it in this sense and more importantly, Sir, I do not think it is a breach of the privileges of the House to refer to a newspaper and blame it on an hon. gentleman. If the newspaper is in breach of the privileges of the House, and I do not think it is, but if it is, then the hon. gentleman's complaint ought to be with the publisher and the editor of the newspaper and not with any hon. gentleman in this House. If he feels my friend from LaPoile (Mr. Neary) district somehow yesterday breached the privileges of the House in the course of debate, then there is a method to deal with that. I think the whole thing, Sir, is an unwarranted interference. I understand further that the Premier has an important Ministerial Statement and I would suggest that Your Honour might wish to let us get ahead with the important business of the House and not these cheap shots by gentlemen like the gentleman from Bonavista South (Mr. Morgan). If the press, Sir, feel they have been maligned by anything said by my friend from LaPoile (Mr. Neary) I assure hon. gentlemen that-

MR. MORGAN: He has insulted the whole House by his statement.

MR. ROBERTS: Mr. Speaker, I find the presence of the member for Bonavista South (Mr. Morgan) to be an insult to this House but I did not send him here.

MR. SPEAKER: (Simms) Order, please!

MR. ROBERTS: Mr. Speaker, what I am saying, Sir, is that if the press feel they have been maligned I am sure, Sir, the press have adequate and ample remedies within their own grasp to defend themselves.

MR. ROBERTS: Whatever may be thought of the incident, it is not a breach of the privileges of this House. At least the hon. gentleman from Bonavista South (Mr. Morgan) has not made out any case at all, Sir.

MR. MORGAN: Yes I have. Let the Speaker decide that.

AN HON. MEMBER: You should have raised it yesterday.

MR. ROBERTS: Mr. Speaker, if I may be allowed to finish by the leave of the House and with the grace of the hon. member from Bonavista South (Mr. Morgan) if he can control himself. He has not in my view, Sir, as I have said, made out any case for breach of privilege of this House and if he had made out a case he has failed to follow the appropriate remedy for discharging it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: (Simms) With respect to the point of privilege raised I thank hon. members for their argument. I will take the matter under advisement and give a ruling on it either later today or tomorrow.

STATEMENTS BY MINISTERS:

MR. SPEAKER: The hon. the Premier.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: Mr. Speaker, over the last number of months, the major preoccupation of my Government has been the wise management of this Province's fisheries resources. In particular, our concern has focused on the cod stocks which are the basis of the livelihood of the fishing communities on the Northeast coast and the coast of Labrador from Cape St. Mary's to Cape Chidley. Indeed, the single most important issue which faces this Province today is whether these communities will be protected from the onslaught of a new distant water trawler fleet.

Premier Peckford: This time the trawlers will come not from Russia, Germany or Poland, but from Mainland Canada. The results however will be disastrously the same. That is the essence of the "Northern Cod" issue. We must not be fooled by the term "Northern Cod Stocks." The cod stocks at issue are not some remote new body of fish which has been recently discovered, Rather these stocks have historically been the basis of economic and social life in most of this Province since its founding. This is the fish we have caught, processed and exported down through the years. These cod breed in the Winter and Spring on our Eastern off-lying banks which extend from the Hamilton and the Makkovik Banks in the North to Belle Isle Bank, Funk Island Bank, the Ritu Bank, and the Northern part of the Grand Banks, directly East of St. John's in the South. They more properly should be called the "Northeast cod stocks."

Mr. Speaker, I cannot stress how important it is for Newfoundland Fishermen to understand that these are the same cod stocks which we catch inshore during the Summer. If this cod is caught offshore, then the same fish cannot be also caught inshore. These stocks were raped by the foreigners, but now they are coming back. Will we be allowed to build our future on them? At a press conference on August 31, 1979, I stated that there was no basis for complacency with the results of the so-called "Northern Cod Conference" which the Federal Government convened in Corner Brook from August 28th to the 30th. I pointed to a number of very worrisome trends which seemed to emerge from those discussions; in particular to the proposal that our inshore/middle distance fleet along the entire Northeast coast of Newfoundland and the coast of Labrador should be restricted to only 66 per cent of the total quota as opposed to their traditional 100 per cent.

I also pointed to the great uncertainty which exists with regard to Ottawa's knowledge of the biology of these stocks and just how much the stocks were recovering after two decades of foreigner over-fishing. We in this Province had high hopes when the 200 mile limit was declared. However, three

PREMIER BECKFORD: Some of this fish very correctly went to fish plants in communities which have traditionally depended on these stocks, for example, in Catalina, St. John's and Trapansey. A much smaller amount went to plants on our own South coast. However, the alarming development was a mainland based effort which in 1979 will take some 13,000 metric tons or 26 million pounds of cod, which was badly needed in a Province with Canada's highest unemployment rate. Third, it has become obvious that this wetfish trawler effort is just the thin edge of the wedge, Mainland companies now want bigger quotas and the use of large freezer trawlers; hence Ottawa's recent decision to allow the licensing of freezer trawlers. The floodgates are now open. What has been happening is a gradual erosion of the economic lifeline of our fishermen and plant workers. It must be stopped! Indeed, these three developments violate the basic and eminently reasonable principle that the communities from Cape St. Mary's to Cape Chidley which have traditionally depended on these stocks should continue to be the beneficiaries of these stocks. It is important to note that Canada used the dependency of these communities to justify our 200 mile limit at the United Nations Law of the Sea conference. It is wrong, misleading and unnecessary for Ottawa to characterize these stocks as the "Property of all Canadians" and thus open them to exploitation by factory and/or freezer trawlers from other parts of Eastern Canada—specifically by two companies National Sea and Nickersons.

Mr. Speaker, the Province of Newfoundland made its case clear at the Northern Cod Conference by presenting a paper which was made public. Subsequent to that, after much correspondence, I met with the Federal Minister of Fisheries, Mr. McGrath, on November 5th., 1979, and presented him a discussion paper on our Northeast cod stocks. I am today making this paper public. In spite of this Province's strong, moral and historic claim to the economic benefits of these cod stocks and its long historic dependency on them, no reply has been made to the Province's arguments. On November 19th.,

FRANILIA PECKFORD: because Mr. McGrath indicated that he was not authorized to meet our demands, I wrote to the Prime Minister, restating our position in the clearest terms possible and asking him as Prime Minister, to intervene and protect the interests of this Province. I have not yet received a reply to that letter.

To my personal dismay, on Friday, November 30th, the Federal Government announced its policy of the licensing of freezer trawlers. The essence of this policy is to make it possible for mainland fishing companies to totally by-pass Newfoundland and process our fish in mainland plants. These vessels with their unrestricted groundfish licenses will be able to fish within twelve miles of our coasts and even in our larger bays such as Trinity, Bonavista, and

PREMIER PECKFORD:

Notre Dame Bay, gutting and heading any cod caught onboard and transporting these semi-processed fish to Mainland plants for final processing. These freezer trawlers will have an insatiable appetite for cod and Ottawa will be under continual pressure to allocate more and more fish to them.

These developments will, if not stopped, seriously prevent our inshore and middle distance cod catches from recovering to their full potential and will deprive our many seasonal fish plants of the long awaited opportunity to create much needed employment in this Province.

Mr. Speaker, we have repeatedly indicated to the Government of Canada that a continuation of these policies would be totally unacceptable to this Province and that the interests of the communities along the Northeast Coast of Newfoundland and the Coast of Labrador must come first.

I repeat that position today in the most emphatic terms possible and pledge to use every power within the constitutional authority of this Province to reverse these federal policies which have the potential of destroying the very basis of life in so many of our smaller communities.

Our objects are, then, number one, elimination of the artificial foreign surplus of 25,000 metric tons, which by the way, if you work it out in terms of what it does for this Province, will be - fishermen's income - \$10 million; plant wages - \$55 million; plant jobs - 2,500; and somewhere around \$100 million in gross benefit to the economy of the - over \$100 million; Two, a roll back of Northeast cod quota allocations to mainland wetfish trawlers; and three, most importantly, modification of Ottawa's freezer trawler policy so that any freezer trawler licences issued to mainland plants will not be valid for waters adjacent to this Province; subareas two and three, and subdivision 4RS in the Gulf - and in particular for our Northeast cod stocks.

PREMIER PECKFORD: Starting today, Mr. Speaker, we will be reviewing all the weapons at our disposal to achieve these objective. All mainland fish companies operating in this Province, are put on notice that if they accept (directly or indirectly) Newfoundland cod caught by freezer trawlers and landed on the mainland, we will reserve the right to consider them ineligible for any provincial assistance programme or to apply for any further processing licences.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: In addition, all licences currently held by such companies may be reviewed both as to whether additional specific terms and conditions should be attached to the same and indeed whether they should be renewed at all.

Mr. Speaker, I would like to stress that I make this statement with the greatest of reluctance, with a flurry of phone calls from Ottawa to St. John's, through the last two weeks, through all last night and through all this morning, right up until about two minutes to three. And it is not easy for me to have to say that the present Government of Canada has gone against the interests of this Province

Premier Peckford:

in the most fundamental way possible.

It is not a happy day for me or for Newfoundland. However, the importance of these cod stocks to our people transcends all political considerations. And I make no apologies to whosoever will, I would like for the issue to be considered in that light. Without these stocks, 500 communities in our Province would have no economic future. Consequently, what must be done, must be done. Nor should anyone mistake our resolve in this matter. As far as I and my Government are concerned, the fisheries of this Province are its past, its present, and its future. And no other issue is as important.

To our fellow Canadians, I would say that we are not being greedy; we are merely trying to protect the livelihood of the many small communities which have always depended on these stocks, and who, alone of all Canadians, have traditionally harvested them. We must defend our rights just as I am sure the government of any province would defend the mainstay of its economy and its society. If I were to do anything less, I would be betraying the people who elected me, elected my Government and adopting a position which I personally could not live with.

I cannot stress how important this issue is to our future and in that respect, I will be making a major presentation to the people of the Province via the media in the very near future. We must all understand how vital this issue is to us. We must all see the Northeast cod not as some remote resource, but what it really is, the basis of our livelihoods and economic future. It will not affect us tonight or tomorrow or next month, or perhaps even next year, but if we do not start now, ten or fifteen years from now we are going to have to answer some pretty hard questions.

I ask for the support of all Newfoundlanders and Labradorians on this vital issue. Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (SIMMS): The hon. Leader of the Opposition.

MR. JAMIESON: Mr. Speaker, while the hon. the Premier did me the courtesy of providing a copy of the statement, I am quite sure as soon as it was available, that was only a moment or two before coming into the House. Therefore, there has not been time quite clearly for me or my colleagues to examine its ramifications in their totality.

However, it is not difficult for me to respond, nor is it difficult for me to accept the invitation of the Premier to treat this as a matter that is beyond political considerations, and which goes to the heart of our whole Newfoundland way of life, and our whole Newfoundland economy.

I can say that today with a good deal of satisfaction

MR. D. JAMESON:

because, of course, in this House only a week ago or less I made substantially the same kind of assertion with regard to, at least, the historical claims of Newfoundland and indeed much of what the Premier has said in the preamble to his statement. I do not suggest that it is a paraphrase of my speech but I am sure that he was aware of it at the time that the preparation of this document was underway.

Indeed, my satisfaction goes back even further because it was approximately, I recall, three years ago that a general meeting was convened at my instigation in Marystown, the documentation for which is available to all interested members, attended by the then Minister of Fisheries in this particular government as well as the then Minister of Fisheries in Ottawa, as well as by representatives of the unions and the fishermen generally, and the gist of that meeting was, essentially, that there was a very special place for what are known as the Northern cod stocks.

Let me add a third reason for my satisfaction and that is that prior to the change of government, I think it is again a matter of record, that when this issue boiled up initially a couple of seasons ago, it was the then Minister of Fisheries for Canada who, despite strong opposition from all of the people concerned in the Maritime Provinces, allocated by far the largest portion of that stock to Newfoundland at that time. I believe, furthermore, that the record will show that while this issue of freezer trawlers is one which has confused and confounded a great many people, because it is not truly understood by the majority, the simple truth of the matter is that public figures, I think of all political persuasions, have had deep concern for some time over what the ramifications would be of any substantial change of the nature referred to in the Premier's statement today.

Insofar as I am concerned and this party is concerned, I think our position is clear, I think it has certainly been enunciated by me and I hope if members wish they

MR. D. JAMESON: will look at Hansard of last Wednesday, Private Members' Day, when I made essentially the same points. I do agree. My only point of departure, perhaps, with regard to the substance of the Premier's statement, is, of course, again relying on what might be described as historical precedent. He has talked about either the Northeast coast or the East coast of this Province whereas my own area namely the Southern part of Newfoundland, has also had a substantial and very significant dependence and an increasing dependence upon stocks from that particular area also. In other words, I think it would be, and I am sure this is not the Premier's intent, a mistake in citing an historical

MR. JAMIESON: right for Newfoundland in this matter, to then confine that particular right exclusively to some particular group of Newfoundlanders, although as my earlier statement said, of course, it was and always has been the mainstay of many of the communities, particularly on the Northeast coast of Newfoundland. And, Mr. Speaker, the Premier in making this, what can only be described as dramatic announcement, which can also only be classed as a outright confrontation with the government in Ottawa, has also indicated that they will use - that is the government, all the weapons at their disposal. I have no quarrel with that. I fear, however, that these weapons, at that particular level, are going to be rather limited. The statement makes reference to licencing and the like and perhaps even implicit in it is the suggestion of a failure to renew licences. I do not think any of us can have any illusions about what the impact of that particular act might very well be for very many, indeed thousands of our Newfoundland people already employed in the fishing industry in plants licenced by the government to the particular companies, some of whom he names in this document. I would therefore urge that every effort be made to follow the route which he has outlined although clearly, clearly, if I may be so bold as to say so, this is a definite indication of what might be described as the honeymoon is over insofar as federal-provincial relations, at least in fisheries are concerned, but at the same time it is obvious that this government must make every effort to ensure that the Government of Canada, represented as it is by a Newfoundlander as the Minister of Fisheries (Mr. McGrath), changes its mind. We have lost the fish and on Tuesday, next week, we will probably loose the chips too when the Budget comes down. But nevertheless, the route of negotiation remains clearly and unmistakably the one which must be employed because the alternative would involve this government and the people of Newfoundland in a most massive, a most massive change in its economic structure insofar as the fishery is concerned. because, obviously, without going

MR. JAMIESON:

into the substance of it today.

it is clear that if there were to be no renewal of licences for what must constitute-I do not know perhaps sixty or seventy per cent of the major plant production in this Province, we simply could not turn the key and let it go at that. What we would have to do is obviously find others who are prepared or in some way or other to keep these operations going. Nevertheless, Mr. Speaker, this is a sad day, a sad day in Newfoundland's post-Confederation history. It is, as I said, without rancor or without in any sense indicating partisan or political bias of one kind or another, but when we reach the point where it is necessary for this Province, through its Premier, to throw down the gauntlet, which is essentially what is involved here, to the Government of Canada, especially so recently elected to office and especially one to which philosophically I presume in general members opposite subscribe, when it becomes necessary to do that, then we have a very bad situation on our hands. I believe that I would be remiss, Mr. Speaker, if I did not also, this afternoon, say that this series of actions throws serious doubts upon how many other of the much vaunted commitments, about which we have heard in general but on which the details are lacking, we can expect to see

MR. JAMIESON: materialize in federal/provincial relations. I will not take the time today, I understand the Premier has a press conference, I do not propose to hold him up and I am graciously thankful that he has stayed to hear my remarks, but the truth of the matter is that what we have at this present moment is clear evidence that on one of the fundamental and basic points about federal/provincial relations we have failed in the negotiating level, and we cannot be blamed for asking, when the chips are down, if that is not a mixed metaphor at this particular time, whether any of the others will be any more realizable for the benefit of the people of Newfoundland.

SOME HON. MEMBERS: Hear, hear!

MR. JAMIESON: Insofar as the substance of this is concerned, there will be no quarrel from this side of the House with the decision to assert Newfoundland's prior claim to what have come to be called, and I again agree with the Premier, come to be called the Northern cod stocks but which have been the traditional basis of that industry and that area, as I said in my speech last Wednesday, for many centuries. In that regard I say to him that there is no quarrel from this side of the House. What there is is a deep sense of unease, of great concern that the next period ahead of us may be one which will see disturbances of a negotiating nature but perhaps even more than that, in the sense of the general tensions that will make it an interesting period to watch and a period which will call for all of the acumen, all of the skill, that the government possesses. And I may say as well, the good will of this side of the House as well.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): Order, please! On behalf of hon. members I would like to welcome to the Speaker's Gallery a former Cabinet Minister and former member of this hon. House, Mr. Harold Collins.

SOME HON. MEMBERS: Hear, hear!

ORAL QUESTIONS:

MR. SPEAKER (Simms):

The hon. Leader of the Opposition.

MR. JAMIESON:

Mr. Speaker, I have a question for the Minister of Mines and Energy (Mr. Barry). I would like, if he is capable of doing so and I do not mean that in terms of his talent, some clarification in terms of the uranium development in Labrador. You may recall that during the Summer session I asked him whether in fact the various impediments had been cleared away with regard to the restructuring of the company concerned, the inheritance of the grandfather rights held, as I understood it, by a company in Europe which were to have been transferred to a company in the United States, which required federal action.

Has that now been accomplished? And is the only thing holding up the uranium development, from an economic point of view, or a developmental point of view, the environmental hearings presently underway?

MR. SPEAKER:

The hon. Minister of Mines and Energy.

MR. BARRY:

Mr. Speaker, we have received information from the federal government that certain requests for approvals of the joint venture between BRINEX and Commonwealth Edison have been sought from the federal government. And I believe, thinking back, these relate not only to FIRA, but also the

Mr. Barry: Atomic Energy Commission, There are certain approvals required at that level as well.

Now, we have been asked by the Federal Government whether we had given or are prepared to give our wholehearted backing to the Kitts-Michelin project. And, Mr. Speaker, as I have recently indicated, this government's position is that we are not prepared to give our wholehearted approval and backing to the Kitts-Michelin project until we obtain certain better terms and conditions with respect to royalties, with respect to the employment of local people and so forth, matters which are now being negotiated, and which we expect will be negotiated satisfactorily as far as this Province is concerned.

So our position is that while the company holds rights, and we have no intention of derogating from their rights or taking away or impairing their rights, they are welcome to go ahead and do what they can on their own. But if they want the backing, the wholehearted support of this government, then it is to be on terms and conditions which we - reasonable terms and conditions, I might say, which we want to negotiate with them to improve the situation that we were left with, which was an agreement, a concession agreement entered into by previous governments which were not in the best interests of the Province as far as we are concerned.

MR. JAMIESON: A supplementary, Mr. Speaker.

MR. SPEAKER (SIMMS): A supplementary, the hon. Leader of the Opposition.

MR. JAMIESON: I find it difficult to understand, and perhaps I can ask a supplementary which will clarify matters; with whom is the hon. minister or the government negotiating? The BRINEX Corporation, initially, was made up of certain components. For many months now there has been a question of transfer of certain of the holdings or the shares of a company which was part of the overall group - the hon. member shakes his head, I can assure him that this is correct, that there was, and I do not recall which particular company but I believe it was a German company and one moving over to Con Edison, I believe it was, in

Mr. Jamieson: the United States.

MR. BARRY: Commonwealth Edison.

MR. JAMIESON: All right, Commonwealth Edison.

Then are those transactions completed and has Commonwealth Edison now legally and fully inherited the position of the German company insofar as the Government of Canada is concerned?

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

MR. BARRY: Well, there are a number of questions in that one question , Mr. Speaker. The Leader of the Opposition asked, with whom are we negotiating? We are negotiating with BRINEX because it is BRINEX which holds the mineral rights from the Province of Newfoundland.

MR. L. BARRY: The fact that BRINEX had originally entered into a joint venture with a German corporation, which I believe I am pronouncing correctly Orangesellschaft that was an arrangement entered into by BRINEX to obtain financing and a market for uranium. BRINEX has now, and this was announced several months ago, terminated that relationship and entered into another joint venture with a large U.S. utility, the utility which, in fact, services the city of Chicago in Illinois in the United States of America, the company not Con Edison which is New York, but Commonwealth Edison.

BRINEX has terminated the German connection and made a new arrangement with the American firm of Commonwealth Edison and the latest information, the last information that I have, which I confess is a month or so ago, was that this still had not been approved at the federal level and that the federal government was awaiting word from this Province as to our position, whether we supported the joint venture that was being proposed by BRINEX. And this is why I wanted to make the point that our government is not prepared to support this joint venture or do anything more than recognize the rights which BRINEX has under its agreement until there are better terms and conditions negotiated under the existing mineral agreement.

MR. D. JAMIESON: Supplementary, Mr. Speaker.

MR. SPEAKER: (Mr. Sirms) Supplementary, the hon. Leader of the Opposition.

MR. D. JAMIESON: I understand fully what the hon. Minister of Mines and Energy has said, and I will try to capsule my query in this way: If it has not been approved, and it clearly has not because no indication has gone forward from this government and I doubt very much if anything would have been done without getting that kind of answer, BRINEX is not capable of proceeding, I can assure the hon. Minister of Mines and Energy (Mr. L. Barry) if he needs reassurance but I think he does, that it is not capable of going ahead with an actual start no matter what kind of a deal it is ready to make and willing to make with the Government of Newfoundland.

MR. D. JAMIESON: Now, my final question is then, what is the rush at the present time with regard to the tremendous publicity that is being generated on the environmental hearings, on matters of this kind and indeed, almost, one could describe it as overhanging threat, that these must be completed within the next few weeks, I gather before the end of the year, because the project has to start. Now, the two are completely I suggest - not the hon. minister's statement, I understand all of that, but there are two clearly incompatible situations here and I wonder if he can help to clarify the matter for us?

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

MR. L. BARRY: Mr. Speaker, I fail to see what is incompatible. On the one hand we have the situation that Federal approvals have not yet been granted, agreed, admitted, conceded. However, it is our expectation that there will be no undue delay in obtaining those federal approvals once the Province of Newfoundland is prepared to give its whole-hearted support to the proposed joint venture.

MR. JAMIESON: Nonsense!

MR. BARRY: The second point is that the Leader of the Opposition is asking why the claim for urgency. Well, first of all, Mr. Speaker, I assume the Leader of the Opposition is referring to statements by the company involved because this government has never said that we are being pressed to hurry a decision on this matter. This is not the position of our government. We are interested in having full and complete environmental assessment of the project. I would be remiss, however, as Minister of Mines and Energy, or as Minister of Industrial Development for that matter, if I did not point out that there are matters such as the state of the mineral market, the state of the uranium market in this case, which can fluctuate and change from time to time. There has been some softening of the uranium market indicated, partly and maybe entirely as a result of the Three Mile Island accident and the attitude towards nuclear development which resulted from that. Indications are that the price of uranium may decline, at least, in

MR. L. BARRY: the short-term over the next several years. The position, therefore, is that if there is an undue delay in commencing the project the price of uranium may decline and it may no longer be viable, it may no longer be economically viable if an undue delay takes place.

I do not believe there will be an undue delay, Mr. Speaker, I believe that the process is proceeding in a quite normal, reasonable, orderly fashion, that we have a very good

MR. BARRY: board set up to hear the objections or the concerns, the comments of the citizens of this Province with respect to that project and when that report is in, this government will look at it seriously, give very serious consideration to the information contained therein, and then decide whether, in fact, we should approve the development as proposed.

MR. JAMIESON: Mr. Speaker, a final supplementary.

MR. SPEAKER: (Simms) A final supplementary, the hon. the Leader of the Opposition.

MR. JAMIESON: Mr. Speaker, this is such a very important issue that I do want to pursue it just one step further. The hon. minister says that the process will proceed. I accept that. I already heard it from his colleague, the distinguished lady, the Minister of Consumer Affairs and Environment (Mrs. Newhook). That is not my point. What I am asking the minister - and I think he is clear but I am asking him for clarification - is that it is highly unlikely, or certainly very vague at this particular moment, as to whether or not anything with regard to development on that particular uranium deposit will take place in the foreseeable future regardless of whether a) the environmental studies are accepted and b) that the Government of Newfoundland makes an appropriate deal.

MR. BARRY: Wrong. Wrong. Wrong.

MR. JAMIESON: Well, then I will put it bluntly to the hon. member. If he gets the appropriate kind of economic deal, if the environmental arrangements are satisfactory, is he saying then that the Kitts-Michelin project will then go ahead without any delay?

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

MR. BARRY: Mr. Speaker, once we have the adequate economic terms and conditions negotiated with the company, once we have cleared any environmental concerns that might exist, I anticipate that there will be early approvals received from the federal government that may be required and that a start may be obtained on the Kitts-Michelin project in the reasonably near future. We cannot, Mr. Speaker, take this one step

MR. BARRY: at a time. This is a matter where, in putting together a project, all different features of the project have to be dealt with in a co-ordinated fashion. If nothing else were done with respect to this project until federal government approval were obtained, then there would be that much greater delay. We would then have to start the environmental process sometime in January. That would remove all possibility of a start next Spring on the project if that is what the decision ultimately is. Conversely, if we said that we are not going to negotiate economic terms and conditions until there is environmental approval, that would mean a delay once the environmental approvals were given. These are matters that have to be dealt with in a co-ordinated fashion. All of the balls have to be kept up in the air at the same time, to use the juggling analogy, and that is what we are trying to do. Right now, Mr. Speaker, we anticipate no problems. The universe seems to be unfolding as it should as far as this project is concerned. If there are environmental concerns, they will be brought to the attention of government and we will have to deal with them.

MR. NEARY: Mr. Speaker.

MR. SPEAKER: (Simms) The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, in the absence of the Minister of Labour and Manpower (Mr. Dinn), who is the one who should be answering this question, I presume, if not the Minister of Mines and Energy (Mr. Barry) - I am not sure which - but anyway, I guess I will have to direct my question to the Government House Leader (Mr. Marshall). If the Premier were in his seat, I would have to ask him. Would the Acting Premier indicate to the House what action the government have taken on the situation in Western Labrador - Wabush and Labrador City - where the workers in these two mining communities are hopping mad about ten employees who are going to be laid off - received their notice, and are hopping mad about the fact that the government have not implemented any recommendations of the Eason report on contracting out in Labrador West?

MR. SPEAKER: Order, please!

Who was the question directed to?

The hon. the President of the Council.

MR. MARSHALL: Mr. Speaker, I do not know who the question was directed to, but if it was directed to me as Government House Leader, I shall take notice of the question.

MR. NEARY: Mr. Speaker, a supplementary.

MR. SPEAKER: (Simms) A supplementary, the hon. the member for LaPoile.

MR. NEARY: Would the hon. gentleman, as a senior minister in the Cabinet, indicate if, to his knowledge, any action, any of the recommendations of the Eason report in connection with contracting out in Wabush and Labrador City - this government went around before the election preaching about what they were going

MR. S. NEARY:

to do for Western Labrador, have they taken any steps at all to try to bring some of the work back to Wabush and Labrador City? The hon. gentleman need not take that under advisement, the hon. gentleman should be able to give the House the information as a senior member of the Cabinet.

AN HON. MEMBER: He is asking (inaudible).

MR. NEARY: Well, if the hon. minister wants to answer. I do not care who answers but somebody give the House the information. It is very unusual for the minister to give up his turn to answer a question.

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

MR. L. BAPPE: Mr. Speaker, one of the first steps that was taken with the swearing in of the new administration following the election of June 13th. was for us to request a meeting with the senior officials of the Iron Ore Company of Canada. The meeting was held in August, if I remember, between the Planning and Priorities Committee of Cabinet and the officials of IOC and that company was told in no uncertain terms that we wanted to see a change in approach, on the part of IOC, to the development of secondary industry in the Labrador City/Wabush area, that we wanted to see steps being taken by that company to see secondary industry that is now outside the Province locate within the boundaries of this Province, and we said that we would be monitoring this. We have asked the unions in Labrador City and Wabush, we asked the citizens of the area when we held our Cabinet meetings up there in September, I believe. We had briefs from various interested parties, discussed this matter with them thoroughly and asked them to monitor the situation and to inform us if, in fact, the company was not living up to the commitment which we received, that the company would take a positive approach to seeing that business stayed within this Province.

Now, Mr. Speaker, I have not received any complaints that things were not going in the right direction in Labrador. I cannot testify that, in fact, and I know, as a matter of fact, that the problem is not solved by any stretch of the imagination,

MR. L. BARRY: but I expect the company to move in a new direction. I have not received any complaints or any information to show that they are not moving in this new direction. We will be monitoring the situation and if we have to take further measures we are prepared to do that.

MR. S. NEARY: A final supplementary, Mr. Speaker,

MR. SPEAKER: (SIMMS) A final supplementary, the hon. member for LaFolle.

MR. S. NEARY: Mr. Speaker, this government is noted now for issuing ultimatums but they are just becoming a joke. The hon. gentleman said they gave orders, instructions to IOC, the hon. gentleman did not include the Wabush mine in that statement, and apparently, they just took it as a joke. They have not done anything about it and now we have ten employees of the Wabush Mining Company -

MR. W. MARSHALL: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order, the hon. President of the Council.

MR. W. MARSHALL: Question Period, Mr. Speaker, is for the purpose of asking questions not making speeches.

MR. SPEAKER: I would direct the hon. member for LaFolle (Mr. Neary) if he has a supplementary question to put the question please.

MR. S. NEARY: My supplementary, Sir, has to do with the answer that the hon. gentleman gave to my previous question. Why has not the Wabush Mining Company and IOC followed out the ultimatum or the instructions given by the government? Why do we have this chaotic situation in Wabush today? Ten employees are being laid off because of work being contracted out to the Province of Quebec in other parts of Labrador, Quebec/Labrador. That is the problem. You mean the hon. gentleman has not heard about it? Well, the hon. member for Menikoff (Mr. Walsh) should bring the hon. gentleman up to date. The President of the Steelworkers Union down there is on the warpath with the mining company and insisting that these ten employees not be laid off as a result of contracting out. Why did

MR. S. NEARY: the companies not follow the instructions given by the government or did they just treat it as a joke?

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

MR. L. BARRY: Mr. Speaker, the hon. member, I assume, is referring to a labour dispute -

MR. S. NEARY: No.

MR. L. BARRY: Well, under the terms and conditions of the collective agreement between the employees and the company there

MR. BARRY: is a clause whereby the company agrees that it will not contract out.

Now, if this clause is not complied with the union is entitled to initially grieve the matter, ultimately take it to arbitration. If it is a matter where government can in some way play a role, I would expect the union to make this problem known.

MR. THOMS: They are asking for a judicial enquiry.

MR. BARRY: I have not received any communication from the union in question.

MR. NEARY: Maybe they should get a new member down there.

MR. SPEAKER: (Simms)

MR. BARRY: I will be quite interested in dealing with any such representation that the union might decide to -

MR. NEARY: They wrote a letter to your colleague, the Minister of Manpower (Mr. Dinn).

MR. SPEAKER (Simms): Order, please!

MR. BARRY: I would be quite interested in dealing with any involvement that government can have in terms of encouraging companies to maintain business within this Province, but if this is the first stage of a labour dispute -

MR. NEARY: Your colleague got the letter. Look.

MR. BARRY: - involving the interpretation of a collective agreement, Mr. Speaker -

MR. NEARY: No. No.

MR. BARRY: - the process of collective bargaining must be permitted to run its course and the hon. member should stop interfering in that process.

MR. NEARY: No, your colleague has a letter from the Steel Workers in Wabush complaining -

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

MR. F. ROWE: Mr. Speaker, I would have liked to have asked a few questions of the Premier about his ministerial statement but since he is in a press conference I would like to direct a question to the President of the Council, I guess, or the Acting Minister of Fisheries.

AN HON. MEMBER: The President of the Council.

MR. F. ROWE: The President of the Council, with respect to the Fisheries Loan Board, Sir. The Fisheries Loan Board, as we all know, is in a complete state of collapse. There is a complete freeze on it. There are hundreds of fishermen throughout the Province who have their fisheries loans applications approved but there is no money available. There are other hundreds of fishermen who have applications in who have not heard back from the Fisheries Loan Board. I wonder if the President of the Council could indicate to the House, Sir, what exactly is the status of the reinstatement of the Fisheries Loan Board? As the minister indicated some weeks ago, he would have an answer for this House about this time last week, so I think it is about time we got an answer on that particular question now.

MR. SPEAKER (Simms): The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, as the hon. member is aware, it is not a case of reinstatement of the Fisheries Board. The Fisheries Loan Board continues to exist. The fact of the matter is, as the Premier has indicated, there was a problem with respect to it. There was a run on loans, there were a tremendous number of loans and applications in, more so than there was money voted in the estimates, as a result of which, as hon. members in this House are aware, a detailed review of the Fisheries Loan Board has taken place. That report is just about finished now. It is being considered. The first draft of it has been considered by the Cabinet committee and very, very shortly now, in the very near future, the government will be able to make its position clear on the matter. But at this particular stage, at this particular time, I think the hon. the Premier indicated by the end of November, in accordance with the way in which the affairs of this

MR. F. POWE: government are carried on, at the end of November we receive the report.

The Cabinet committee had the benefit on the 30th. of November of reviewing this report, which, as I say, is in the process of being done now. And as soon as we have finished our review, and as soon as other questions which we have raised have been answered, we will certainly be making the position quite clear both to this House and to the people of Newfoundland.

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

MR. F. ROWE: The President of the Council indicated that it is not a matter of reinstatement of the Fisheries Loan Board. Well, that may not be so. But when is the government going to do something about these hundreds of fishermen out there who have, in fact, engaged builders to build their boats and have entered into agreements to buy boats and are completely hung up out there now? They cannot finalize the agreements to have their boats completed, and what I am just trying to find out is when can we expect a definite statement from the government on this particular issue so these fishermen can go ahead and continue to have their boats, longliners built, and finalize certain tentative agreements they have made with contractors or other owners of boats, to purchase used or new boats.

MR. SPEAKER: The hon. President of the Council.

MR. MARSHALL: I had thought I had answered the question. Lest, of course, the impression get around that there have been no loans this year, there have been a record number of loans this year. There have been more fishermen this year who have been able to avail of loans through the Fisheries Loan Board than ever before. The monies have gone from \$2.5 million, to \$5.5 million to

MR. MARSHALL: \$8 million to \$12 million, even in excess of \$12 and \$13 million so there has been great activity. There has been more activity in the Fisheries Loan Board this year than ever before in its history. Now, I cannot give the hon. gentleman - I know that fishermen are concerned with respect to the matter, the government is concerned with respect to the whole situation and all I can do is just reiterate the answer I last gave them...; in the very, very, near future the whole position of the Fisheries Loan Board for the balance of the year will be known to this House and the general public. I can assure the hon. member that through the Fisheries Loan Board or any other aegis, this government will continue to support the fishery development of this Province in the same way as it has over the past eight years.

MR. SPEAKER: (Simms) A final supplementary. The hon. member for Trinity - Bay de Verde.

MR. F. ROWE: Mr. Speaker, the hon. the House Leader cannot just get away with talking about the great activity of the Fisheries Loan Board. This is the problem. That is the problem with the Fisheries Loan Board. The fact is that there were \$54 million worth of loans issued in the last two years which is \$48 million more than the previous twenty-three years and this is why the Fisheries Loan Board is in the problem that it is in now. And I would ask the hon. House Leader if the government intends to launch some sort of an investigation into the alleged political interference with respect to the Fisheries Loan Board and this whole business about the fact that too many loans were approved when the money was just not available? And, also, since it is my final supplementary, Mr. Speaker, is there going to be an investigation into the operation of the Fisheries Loan Board? Is there going to be an infusion of fresh, new capital into it or is there going to be a whole new scheme, or a whole new system to replace the Fisheries Loan Board as it presently exists?

MR. SPEAKER: (Sims)

The hon. President of the Council.

MR. MARSHALL:

With respect, all I can do is give the hon. gentleman the answer. I mean he is making a speech when he asks his questions, he is giving answers to the questions that he is already raising and the answers that he purports to give are entirely erroneous. I mean, this government will continue to support the fishery development of this Province to the fullest extent that it is capable and that is the situation. Because of the great activity that has been spurred in the Fisheries Loan Board as a result of the fostering of the fisheries over the period of years, it has run out of money. This is no secret. But this government is going to, as it has last year, the year before and the year before that when it stamped out resettlement, is going to protect the people of rural Newfoundland and most especially the fishery.

MR. SPEAKER:

The hon. member for Terra Nova.

MR. LUSH:

Mr. Speaker, I want to direct a couple of questions to the Minister of Labour and Manpower (Mr. Dinn) respecting negotiations or lack thereof between NAFB and the government as it affects the hospital support workers. If one listens to the media the indication, Mr. Speaker, is that the minister has not been in touch with the union or the President of the Treasury Board to get negotiations going so I wonder if the minister can inform the House just what initiatives he has taken, or the President of Treasury Board, in the last couple of days to get the negotiations reactivated again to avert this very serious strike?

MR. SPEAKER:

The hon. Minister of Labour and Manpower.

MR. DINN:

Mr. Speaker, I thank the hon. member for asking a question while I was in the House and not waiting until I went outside to ask one. The fact of the matter is, Mr. Speaker, the Assistant Deputy Minister of Labour and Manpower has been, for the past two or three weeks, discussing with both sides, talking about the different problems and going through the various procedures that he needs

MR. DINN: to go through, to attempt to see if there is a possibility of getting both sides back to the table, to see if there is some solution that can be reached by way of negotiations and conciliations to averting a very serious situation that has developed in this Province.

MR. SPEAKER: (Simms) A supplementary, a quick one. The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, this might be a matter of clarification rather than a question. Again, a couple of days ago the General Manager of NAPE, in reference to the ability

Mr. Lush:

of the hospitals to provide services in the event of this strike, he made some recommendation to the fact that if this union, if NAPE came under the Labour Standards Act of this Province, that some provisions could be made for providing essential services. And the question raised by the general manager was that they have asked to get under the Labour Standards Act. And my question to the minister, one, is there any advantage in the NAPE workers coming under the Labour Standards Act? And secondly, if they did, would the situation change? Would this provide the hospitals to be able to come up with meeting essential services, if they came under the Labour Standards Act?

MR. SPEAKER (SIMMS): I will allow a quick answer from the hon. Minister of Labour and Manpower.

MR. DINN: Mr. Speaker, it is very difficult to give a quick answer to the hon. member. First of all, he is totally incorrect. The fact of the matter is, in order for them to be able to go to the Labour Relations Board for essential employees they would have to be under The Public Service Collective Bargaining Act, not the Labour Standards Act. The fact that some of the institutions are under The Labour Relations Act - The Labour Standards Act in the Province, is these institutions cannot apply for essential employees. Whether they were or not, the fact of the matter is that under The Public Service Collective Bargaining Act attempts have been made to get essential employees named, and these attempts have gone on almost ad infinitum since 1977, which was when the first case went to the Labour Relations Board, was referred to the courts and overturned. Subsequent applications have been made because the courts had ruled that they had to be made on a name basis, you had to name the employee, and subsequent -

AN HON. MEMBER: (Inaudible).

MR. SPEAKER (SIMMS): I had indicated I would allow an answer, a quick answer.

MR. DINN: - subsequent applications have been made to the Labour Relations Board which have been appealed by the court, and the next hearing is, I believe, January 5th. or 6th, but it is in that area. So nothing can happen until the appeal on the last application which was by, I believe, the Central Newfoundland Hospital, nothing can be done until that appeal is dealt with in the courts.

MR. SPEAKER: Order, please! The time for Oral Questions has expired.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The hon. Minister of Rural, Agricultural, and Northern Development.

MR. GOUDIE: Thank you, Mr. Speaker.

In accordance with the Fishing Industry Advisory Board Act, 1975, I table the Fishing Industry Advisory Board financial statement for the five months ended the 31st. of August 1978.

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

MR. BRETT: Mr. Speaker, I wish to table The Highway Traffic Fees Regulations as amended under The Highway Traffic Act, and The Highway Traffic Bus Regulations under the Highway Traffic Act.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER: The hon. Minister of Consumer Affairs and the Environment.

MRS. NEWHOCK: Yes, Mr. Speaker, I would like to respond to the hon. member for the Straits of Belle Isle (Mr. Roberts) with regard to an update on the flouride standards of the ERCO emissions. I would like to inform him that my department uses the ambient air approach to air pollution control. The air in the countryside, anywhere in the Province should have a quality as described in our standards. And previous to 1973, in the Long Harbour Valley the standards for flourides were exceeded, and a compliance programme was prepared by ERCO to reduce their air emissions so that the flouride standards would be consistently met. And the Newfoundland flouride standards are, gaseous flourides,

Mrs. Newhook: one part per billion for twenty-four hours or a half a part per billion per thirty hours, per thirty days I am sorry. And total flourides two parts per billion for twenty-four hours or one part per billion for thirty days. And flourides as measured in the vegetation samples is thirty-five part per million for each sample.

Now, ERCO recently experienced problems with their flouride control equipment. And I am sorry I was not aware of that yesterday when I responded to your question. The levels measured at the stack doubled in late October.

MRS. NEWHOOK:

Several unsuccessful modifications were made during November to improve the controls. Each modification required the pellet plant to shut down while the repairs were being made and then start up to evaluate the improvements. Finally, last week, ERCO made successful improvements and stack sampling performed on December 1st and December 3rd showed decreased fluoride emissions similar to the July to September readings.

MR. ROBERTS: Decreased?

MRS. NEWHOOK: Decreased, right.

MR. ROBERTS: As sampled by the minister's officials or by ERCO?

MRS. NEWHOOK: Yes, right.

MR. ROBERTS: Yes, but which? By the minister's officials? The samples were by the minister's officials?

MRS. NEWHOOK: I really cannot tell you that, whether they were sampled by our men or by ERCO people? But it was their reports anyway to us. They evaluated it.

AN HON. MEMBER: Whose report was it?

MRS. NEWHOOK: The report of my department, which I presume they checked. I really cannot tell you for sure on that.

MR. ROBERTS: Could the minister check on that for us?

MRS. NEWHOOK: So the remainder of the report is excluding the recent upsets. Normal stack emissions can be summarized - main stack, thirty-five to one hundred pounds; pellet cooler, forty to ninety pounds; tapping fume, twenty to forty pounds, making a total of ninety-five to two hundred and thirty pounds per day of gaseous fluoride, and this brings ERCO within the standards.

During the November upset, when three hundred to four hundred pounds per day of gaseous fluoride were emitted from the main stack, ambient readings in Long Harbour exceeded our twenty-four hour standard of one part per billion on four occasions only. The thirty day standard of a half part per billion was not exceeded, and readings in the Long Harbour valley did not exceed the standards. This is the report on the air pollution.

MR. ROBERTS: (Inaudible) check that (inaudible).

MRS. NEWHOOK: Yes, and if you would like to drop in to our department, we can show you the reports and you can see them for yourself.

MR. ROBERTS: Is the minister asking me by to see your estimates?

MRS. NEWHOOK: No. I am going to reply here - and this is to the hon. the member for Baie Verte - White Bay (Mr. Rideout). He asked a question with regard to the interest being charged by loan companies on small loans. I think I told him at that time that I did not know of any complaint in my department. I have checked since then and it has been confirmed that we have not received one single complaint. I have since checked with the federal office here and they also say that they have not received a complaint. I do have the act here which gives the rate of interest to be charged on these small loans. I can read it to you if you are not aware of this.

AN HON. MEMBER: (Inaudible).

MRS. NEWHOOK: Well, I just have the act. I cannot give you the act.

AN HON. MEMBER: (Inaudible).

MRS. NEWHOOK: Yes, alright, then.

AN HON. MEMBER: Just table it (inaudible).

MRS. NEWHOOK: Yes, very good then.

But I would like to say, though, that my department has been notified by the federal government that it intends to amend this act or repeal it. And I would like, also, to say to the hon. member that if he has any specific complaints and he would like to pass along the details to my department, I would be very glad to investigate them for him.

AN HON. MEMBER: An hon. lady.

ORDERS OF THE DAY

Order 2.

MR. SPEAKER: (Simms) Committee of the Whole on a bill,
"An Act To Revise And Consolidate The Law Relating To The Establishment And Administration Of Municipal Government In The Province."

December 4, 1979

Tape 1593

EC - 3

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

MR. CHAIRMAN: (Mr. Baird)

Order, please!

We were discussing the amendment to Clause 109 and 110.

The non-member for LaPoile.

MR. S. NEARY:

Mr. Chairman, in case hon. members

do not remember what the amendment is, Sir, the amendment is that Clauses 109 and 110 be deleted from the present act going through the House because we feel it is undemocratic, because it will impose a hardship on the Newfoundlanders who live in small communities in the rural parts of this Province and we feel that the imposition of a property tax, the question as to whether or not the people who live in municipalities have a property tax should be left up to the people, should be left up to the mayor and councillors and to the people who reside in the various municipalities throughout this Province and not be forced on people by this House. That is our main objection, Sir, to Sections 109 and 110 of this bill and that is why we moved the amendment. And so far we have not had a satisfactory explanation from the minister apart from the fact that he came in here yesterday with a big black book with all the loans and grants that were given to the various municipalities listed in that big black book, apart from that, that is the only justification the minister has given for using or misusing the power of the Legislature to force a property tax on Newfoundlanders.

This government told us prior to the June 18th election that there would be no increase in taxes and ever since, all they have done is find devious ways to do through the backdoor what they said they would not do through the front door and that is increase taxes. We saw the media tax, we saw the increase in the taxes on insurance premiums, we have seen every permit -

MR. WARREN:

Aviation gas tax.

MR. S. NEARY:

- the aviation gasoline tax -

AN HON. MEMBER:

Car licences.

MR. S. NEARY:

- car licences have increased, every

permit issued by any department of government has been increased.

People who are applying for various permits these days will discover

- MR. S. NEARY: that the fees have increased.
- AN HON. MEMBER: Birth certificates.
- MR. S. NEARY: Birth certificates even, that is right. Even a birth certificate, the price of a birth certificate -
- MR. JAMIESON: Taxing the babies.
- MR. S. NEARY: - has increased, taxing the babies as my hon. friend says.
- AN HON. MEMBER: Have they increased death certificates.
- MR. S. NEARY: No, I do not think they have increased the death certificate if you are lucky enough to be able to get one.
- But, Mr. Chairman, now we have before us another move on the part of the administration to impose a tax on the people of this Province but this one is the King of them all, this one is the daddy of them all, this one is one that Newfoundlanders have resisted and fought against for generations, FOR years and years and years they fought against the property tax. The next thing the government will be taxing chickens and hens and goats and sheep. If they keep going the way they are going, everything will be taxed. The next thing they will tax the number of times you go to the bathroom.
- Now, Mr. Chairman, I do not expect to get very much coverage, Sir, on my few remarks today -
- SOME HON. MEMBERS: Oh, oh!
- MR. S. NEARY: -in protest over this bill. after receiving a letter from the President of the Newfoundland and Labrador Press Gallery Association, delivered to me today while I was in caucus, when I could not get a chance to get a dart at her.
- AN HON. MEMBER: Read it out.
- MR. S. NEARY: No, I will not read it out but I will read the reply if the hon. gentleman wants it
- SOME HON. MEMBER: Yes.
- MR. S. NEARY: This arose out of a few remarks that I made yesterday in connection with certain refreshments

Mr. Neary:

in the filing cabinet of the press gallery, that if you went in and participated in these refreshments you had to drop something in the cup. And, you know, this is relevant, Sir, because it has to do with coverage, coverage of the House on this particular bill and especially on Clauses 109 and 110. I did not remember yesterday, Sir, that some of the main culprits who are participating in these refreshments were ministers and members supporting the government. And is it any wonder that the President of the Press Gallery should try to play little political games by having Chaw-mouth for Bonavista (Mr. Morgan) raise it during the -

MR. MARSHALL: On a point of order, Mr. Chairman.

MR. CHAIRMAN (BAIRD): A point of order.

MR. MARSHALL: Sections 109 and 110 - what the hon. member is talking about is completely irrelevant to the amendment.

MR. JAMIESON: Talking about property tax in a filing cabinet.

MR. CHAIRMAN (BAIRD): On the point of order. Again, while it is not easy to determine -

MR. JAMIESON: It is relevant.

MR. CHAIRMAN : it is a borderline. I would again remind the member to be relevant.

MR. NEARY: Well, as I started to say, Sir, when I was so rudely interrupted by the hon. gentleman, it is very unlikely that I will get any coverage of my few remarks on these two clauses. It is rather unfortunate, Mr. Chairman, and I think I went to great pains during my remarks yesterday to say that only some members of the press gallery, some, not all, but unfortunately somebody has misinterpreted what I said and tarred everybody with the same brush. It would have been far better, Mr. Chairman, instead of trying to play little political games on the floor of this House - it is unparliamentary, by the way, it is against the rules of this House for anybody outside of this House to send a note down or a letter down and have somebody raise the matter on the floor of the House

Mr. Neary: under the disguise of a point of privilege. It is not permitted in this House, Sir, not permitted.

My own concern yesterday about coverage of the House is shared by a great many Newfoundlanders and by a great many members of this House. and instead of playing these little political games with my remarks through a government member, it would have been more useful and more constructive if the President of the Press Galley would just reflect on what I said, which were statements a fact, and take whatever steps are necessary.

MR. MORGAN: On a point of order, Mr. Chairman.

MR. CHAIRMAN (BAIRD): A point of order.

MR. MORGAN: Mr. Chairman, the point of order may be ruled as a point of explanation. But, first of all, the hon. gentleman, in his comments just made, is totally incorrect. There was no little note sent to me to raise the point of privilege in the House today, sent to me by any member of the press gallery, nor of the Press Galley Association. And, Mr. Chairman, the fact that this matter is now before the ~~Speaker~~ of the House, the fact that the point of privilege is now before the House of Assembly, it was raised by me, spoken on by the Opposition House Leader, has not been ruled on, therefore the hon. gentleman who is now speaking on the point of privilege is completely out of order.

MR. CHAIRMAN (BAIRD): With regard to the point of order -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN: Regarding the point of order again I would like to remind the hon. gentleman for LaPoile (Mr. Neary) of relevance and carry on.

MR. NEARY: Mr. Chairman, the hon. member for Bonavista South (Mr. Morgan) is so stupid that I think he is going to make a career out of it. Sir, the - now, the hon. gentleman admits that he was trying to suck in with the press, trying to suck in. He has a tendency to call up the media and say, "Look, why do you not ask me questions on this". The Premier has silenced him, but he has a tendency to call up and say, "Ask me a question about this and I will answer it for you".

MR. JAMIESON: more than Archie Bunker.

MR. NEARY: And he is more humorous than Archie Bunker.

MR. MORGAN: Is the hon. gentleman jealous?

MR. NEARY: But any way, Sir, -

MR. JAMIESON: I do not have to be -

MR. NEARY: But any way, Mr. Chairman, -

SOME HON. MEMBERS: Oh, oh!

MR. CHAIRMAN (BAIRD): Order, please!

MR. NEARY: My main concern about -

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: (inaudible) I am dead serious you are resigning
(inaudible)

MR. CHAIRMAN (BAIRD): Order, please!

MR. THOMS: Why do you not resign and we will take that
serious -

MR. JAMIESON: If hot air was music the hon. gentleman would
be a brass band.

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: serious in the Province anymore (inaudible)

MR. CHAIRMAN: Order, please!

MR. JAMIESON: My son, you running down, quiet!

MR. MORGAN: (Inaudible) resigning two weeks from now, I guess.

MR. WARREN: He talks so much his tongue is going to get
sunburned.

MR. JAMIESON: Keep your big mouth shut.

MR. NEARY: Your Honour has called order.

MR. CHAIRMAN: Order, please!

MR. NEARY: Name him, Mr. Chairman. If he does not keep
quiet name him.

MR. CHAIRMAN: Order, please!

The hon. member for LaPoile has the floor -

MR. NEARY: Thank you, Mr. Chairman -

MR. CHAIRMAN: - and has the right to be heard in silence.

MR. NEARY: - for restraining the member for Bonavista
South (Mr. Morgan), Sir, who has contributed more

MR. S. NEARY:

to lowering the decorum of this House than any other member in here.
And the hon. gentleman now in his attempt -

MR. CHAIRMAN: (SAIRD) 109 and 110 are being discussed.

MR. S. NEARY: Yes. Mr. Chairman, as Your Honour knows, who has been following the debate very carefully, my main concern about the coverage of the House of Assembly was that the information -

MR. J. MORGAN: (inaudible) anymore.

MR. S. NEARY: The last time we heard from the member for Bonavista South (Mr. Morgan) he was out pulling the little legs out of the spruce budworm, he was playing with his spruce budworms -

MR. J. MORGAN: (inaudible) to politics in Newfoundland?

MR. S. NEARY: Oh, listen to the minister who represents starving cattle in Bonavista. Mr. Chairman, could we get the Premier back in the house to try to restrain the hon. minister. He is embarrassing his colleagues and the Premier, a source of embarrassment.

So, anyway sections 109 and 110; Sir, it seems to me that the full impact of these two sections of this municipal Bill have not yet filtered through to the people of this Province. Not yet! And that is why I was complaining yesterday about the coverage and Mr. Chairman, it would have been far better, instead of picking me up and taking a negative approach to my few remarks concerning the reporting, the coverage from this house, it would have been far better if the Press Gallery had proceeded with haste to try to bring the microphones and the television cameras on the floor of this House so that the people can see what is going on, so that the people can see the Government in action, so that the people can see the Opposition in action, so that the people can hear the speeches made about section 109 and 110 of this Bill, so that the people could see how democratic this particular piece of legislation really is. That is my concern, Sir, and it would have been far better instead of sending me little letters when I am attending meetings, if they would take a constructive approach, and instead of

MR. S. NEARY: accepting the word of the Government House Leader (Mr. Marshall) that we are not going to have the television or microphones on the floor of the House, that they share the government into allowing them to come in and then the people will see the truth and there will be no need of playing politics on the floor of this House, of who is right or who is wrong, the people will see it for themselves. And in this electronic age that is the way it should be. What are we afraid of? What is the government afraid of? So I would say, Sir, my remarks were made in a helpful way not to hinder the progress of the reporting of this House and if I embarrassed anybody in the Press Gallery I am sorry for that because I went to great pains to say that there was only some not all! I underline, 'not all,' Mr. Chairman! And I do not like this attitude of 'I will get so and so, I will get this one and I will get that one' that I have heard so often around the corridors of this House. 'We will smear, we have our techniques and our ways in the press to get our little darts in and our little jibes in'. Is that the way to report the people's business?

MR. W. MARSHALL: A point of order, Mr. Speaker.

MR. CHAIRMAN: (BAIRD) A point of order, the hon. Government House Leader.

MR. W. MARSHALL: This is totally irrelevant, Mr. Chairman. The question before the Chair now is that sections 109 and 110 be deleted. The hon. gentleman has spent the last few moments talking about the reporting of the press and television in the house and what have you, which is totally, completely and absolutely irrelevant. It is not the subject before the Chair at the present time. If the hon. gentleman wishes to make observations like that there are other times and places where he can do it but he cannot usurp the time of this committee by speaking on irrelevancies.

MR. CHAIRMAN: On the point of order I will again remind the member for LaPoile to keep his comments to Clause 109 and 110 please.

MR. S. NEARY:

Mr. Chairman, as Your Honour, is aware Clauses 109 and 110 have been the subject of debate in this house for the last week, and so far we have not received a satisfactory explanation from the minister. We have had some wishy-washy statements by the minister of why it is necessary for the minister to come in to the Legislature and legislate the property tax in this Province, something that no minister, no government has been

MR. G. HARRY:

able to do. The minister went out to Gander and said to the Federation of Mayors and Municipalities, "Look, if you want services in the future you are going to have to pay for them". Okay, that is fine, there is nothing wrong with that, it is a democratic country we live in and if the minister wants to go and make a fool of himself that is up to himself. But the minister should not use this House to inflict his idea and his ideology and his philosophy on the people of this Province. The minister should have the courage then to go back to the office and wait for the municipalities to come in and say, "Look, I told you in Gander, you are not getting this unless you put the property tax in". But do not make it the law of the land, do not make it mandatory. And that is the message that has not filtered through yet, Mr. Chairman, and the government should be ashamed of itself, should be ashamed bringing this kind of legislation into this House and hoping to get members to support it because I know what the minister will do down in his office now when a town council comes in from a small community where they are carrying water in buckets and using the outdoor toilets, the minister will say, "Look, it is not my fault boy, I did not make this law, that was made up in the House of Assembly". That is what the minister will do just the same as government when they pawned off the Newfoundland Hydro on the Public Utilities Board. Now they come in the House and say, "Well, we did not do it, the Public Utilities Board recommended it". And that is the kind of game the minister is playing and that is a cruel game and it is not fair and it is not right. And I would like to know, as I said yesterday, what the member for Bay of Islands (Mr. L. Woodrow)-how he feels about this, how his constituents are going to feel when they are faced with a property tax. They come in looking for water and sewerage to try to get their standard of living brought up to other parts of Newfoundland, not Canada, brought up to other parts of Newfoundland, and the arrogant Minister of Municipal Affairs (Mr. N. Windsor), the arrogant minister says, "I am sorry, but there

MR. S. HENRY:

in the legislature

as a law passed, there was a law passed

AN HON. MEMBER:

(inaudible)

MR. HENRY:

water in buckets.

(inaudible) back in the stone age

Do you mean there are no people carrying

MR. WOODROW:MR. THOMAS:MR. WOODROW:MR. HENRY:

the hon. gentleman is so intelligent and so bright that the hon.

gentleman -

AN HON. MEMBER:MR. HENRY:MR. CHAIRMAN (Mr. Baird)MR. HENRY:MR. CHAIRMAN:MR. HENRY:

I am surprised that the hon. gentleman has been by-passed, and not put into the Cabinet long ago. This is not a very forward piece of legislation, Mr. Chairman, it is a disgrace. It is an insult to the intelligence of Newfoundlanders, and the minister can surely do better than this. The minister, if he is going to ram this through the House, surely can get up and justify it more so than he has done in the last week, by flinging insults at the member for St. Barbe South and telling him he did not know what was going on in Port Saunders. It is not good enough, Mr. Chairman, and I call upon all conscientious members of this house to vote against this dictatorial piece of legislation, or Sections 109 and 110 of this dictatorial, unconstitutional and non-democratic piece of legislation.

SOME HON. MEMBERS:MR. CHAIRMAN (Baird):MR. CHAIRMAN:AN HON. MEMBER:MR. CHAIRMAN:

hear, hear.

Shall the amendment carry? All those

in favour 'aye', contrary 'nay', in my opinion the 'nays' have it.

Shall clause 109 carry?

Division.

A Division has been called.

MR. CHAIRMAN: (Saird)

Order, please!

The division on the amendment.

All those in favour: The hon. the Leader of the Opposition, Mr. Hodder, Mr. F. Powe, Mr. Thomas Lush, Mr. Edward Roberts, Mr. S. Neary, Mr. Thoms, Mr. F. White, Mr. Tulk, Mr. Moores, Mr. Hollett, Mr. Warren, Mr. Hiscock, Mr. Bennett.

Those against: The hon. the Minister of Mines and Energy and Industrial Development (Mr. Barry), the hon. the Minister of Lands and Forests (Mr. Morgan), the hon. the Minister of Consumer Affairs and Environment (Mrs. Newhook), the hon. the Minister of Public Works and Services (Mr. Young), the Minister of Tourism, Recreation and Culture (Mr. Power), the hon. the Minister of Labour and Manpower (Mr. Dinn), the hon. the Minister of Municipal Affairs and Housing (Mr. N. Windsor), the hon. the Minister of Finance (Dr. J. Collins), the hon. the President of the Council (Mr. Marshall), the hon. the Minister of Transportation and Communications (Mr. Brett), the hon. the Minister of Rural, Agricultural and Northern Development (Mr. Goudie), the hon. the Minister of Education (Ms. Verge), the hon. the Minister of Health (Mr. House), Mr. Doyle, Mr. Walsh, Mr. Stagg, Mr. R. Collins, Mr. J. Carter, Dr. Twomey, Mr. Dawe, Mr. Patterson, Mr. Aylward, Mr. Woodrow, Dr. McNicholas, Mr. Stewart.

MR. CHAIRMAN:

In my opinion the 'Nays' have it - fourteen for and twenty-five against.

On motion, clauses 101 through 110, carried.

MR. CHAIRMAN:

Shall clauses 111 through 120 carry?

The hon. the member for Grand Bank.

MR. THOMS:

Mr. Chairman, I was wondering in connection with Section 116 whether or not the minister could advise me of the status of Crown corporations under this particular - Will Crown corporations be taxable now or not?

MR. N. WINDSOR:

The government departments' (inaudible).

MR. THOMS:

Are they included in the - they are not specifically included. I was wondering if they are exempted under this particular section or not.

MR. CHAIRMAN: (Mr. Baird)
Affairs and Housing.

The hon. the Minister of Municipal

MR. N. WINDSOR:

They are not specifically excluded here, Mr. Chairman, but I would assume they come under the same ambit as provincial government property basically. They come under the same clause as provincially owned properties, so they are therefore exempt.

MR. CHAIRMAN:

The hon. the member for Grand Bank.

MR. THOMS:

Mr. Chairman, I am just wondering if the minister will give me again - I have heard some talk about it - the rationale behind the exemption of some of our Crown corporations. I am talking about Section 116. They are not specifically exempted under 116. My question is whether or not Crown corporations would have to pay property taxes, water and sewerage taxes or whatever.

MR. L. THOMAS:

If they do not have to pay Property Taxes I am wondering again what the rationale is behind - some of our Crown corporations make a lot of money. I would assume for example, St. John's Housing Corporation is certainly a profit-making company. The Board of Liquor Control, of course, you know, something in the order of twenty-five or thirty million dollars a year and I really see no reason why Crown corporations such as that should not have to pay Property Taxes. If John Jones in Grand Bank has to pay Property Taxes, a mandatory Property Tax under this act, then why does not the liquor store in Grand Bank have to pay Property Taxes? And I feel that these Crown corporations should. Maybe they pay a grant in lieu or something of that nature, maybe the minister could enlighten me in that respect.

MR. N. WINDSOR:

Well, Mr. Speaker, obviously

Crown corporation owned property is still provincially owned property. If the corporation were to pay taxes then, obviously, that would have to be recovered by way of increased charges to the consumer, to the general public for the service, the utility being provided. The same sort of rationale applies to the Province, whereas the Province is substantially subsidizing municipalities and there is no point in passing it in one hand and out the other. It does not make any sense for a corporation to pay it. Service fees yes, cost of water sewage yes, by all means.

MR. CHAIRMAN (BAIRD):

The hon. member for Terra Nova.

MR. LUSE:

Mr. Chairman, I wish to comment

further on the point raised by my hon. friend and colleague the member for Grand Bank. I understand that this is almost uniform with all the Provinces in Canada and I would expect that is what the minister is trying to do with the act, certainly in terms of the Property Tax. This is what he has done to make it mandatory in the sense that just about all the Provinces in Canada have made this Property Tax mandatory. And the same thing applies with respect to assessing, if you will, government departments, individual government departments and Crown agencies. I understand that in just about every Province in Canada that a government department or a Crown corporation that is receiving services from some municipality, that

MR. LUSH: if they are not paying taxes, then in lieu of the taxes they are giving the municipality, or whatever, a grant. Yet, the minister says that there is no point in doing this because what you take back in the one hand you are paying back with the other. But certainly if other jurisdictions see some merit in this then I cannot see why our Province did not see some merit in it and in lieu, as the hon. member suggested, of paying taxes then some sort of grant should be paid to the municipality for the services rendered government departments or the Crown agencies.

MR. CHAIRMAN: (Baird) The hon. the Minister of Municipal Affairs and Housing.

MR. N. WINDSOR: Mr. Chairman, to respond to the hon. gentleman opposite there; as I indicated, certainly service is provided. Water services, for instance, would be paid by Crown corporations and are paid by the Province on behalf of -

AN HON. MEMBER: (Inaudible).

MR. N. WINDSOR: No, that is service rendered.

The position there is that if a municipality is rendering a service then they should recover their cost, not to make profit or anything else, obviously, on providing services to a Crown corporation or to a provincially owned building. But if a government owned building is basically providing a regional service, then there is no reason why a municipality should be bearing the whole cost of that service so we say they should be able to recover the cost, the water and sewer rates. As far as it relates to Property Tax, we say no they should not have to pay that simply because - first of all, to compare with other provinces, I cannot really comment exactly on which provinces, if any, are paying real Property Tax or giving grants in lieu. Many of them may be giving grants in lieu but you have to look at the whole ball field. Many municipalities, for instance, are responsible for social services and education in other provinces so you cannot really compare. You are talking apples and oranges when you say that other provinces are paying grants in lieu, therefore, why are we not?

MR. HOLLETT: The Whelan Commission recommended it.

MR. N. WINDSOR: The Whelan Commission recommended it - it is fine for Alberta and B.C. to pay this, they have the financial ability to do that.

AN HON. MEMBER: They recommend it for Newfoundland.

MR. N. WINDSOR: Yes, they do. I admit the Whelan report recommends it. This is one of the recommendations of the Whelan report that we have not accepted and have not implemented. It is just financially impossible for us to get in - we can do that and reduce the grant structure if you wish but that is, again, putting another inequity into the way we treat municipalities. The amount of money we have available as a Province to hand out to municipalities is not going to change.

MR. CHAIRMAN: (Saird) The hon. the member for LaPoile.

MR. NEARY: Mr. Chairman, I do not believe for one minute, Sir, that it was ever the intention of the people who drafted this act, or the people who are responsible for it, to exempt Crown corporations from paying the Property Tax in this Province and this is going to be another shocker for municipalities throughout Newfoundland and Labrador to learn that they cannot impose a Property Tax or they cannot get a grant in lieu of taxes from Crown corporations. In other words, the big Newfoundland Liquor Corporation that turns in thirty-five or forty million dollars revenue to the Public Treasury, legalized boot-legging, that the municipalities where they have their stores and their operations and their buildings and their warehouses, municipalities cannot collect one cent other than water and sewerage from that Crown corporation. The same way with Newfoundland Hydro. I think it is wrong, Mr. Chairman, not only morally wrong but it is legally wrong. Crown corporations exempt from the - it is not stated in the bill -

MR. BARRY: It means that people (inaudible)

MR. BARRY: should pay for the property taxes that Hydro would pay to the City of St. John's.

MR. NEARY: Mr. Chairman, the people of Canada, the people of Canada, are paying a property tax for Canadian National, which is a Crown corporation.

MR. BARRY: And you want the electricity costs to go up to pay for property taxes that are paid to the City of St. John's?

MR. NEARY: No, no, Mr. Chairman, All that has to happen is that the minister can go down, the minister can go down to Newfoundland Hydro with a stroke of the pen, kick the political appointees off the payroll - and his party hacks that were put on the payroll - cut out the extravagance and waste, and not only would he be able to pay the property tax for Newfoundland Hydro, but he would be able to reduce the cost of electricity to consumers in this Province.

MR. BARRY: But you want them to pay property tax, do you? You want Hydro to pay property tax?

MR. NEARY: Mr. Chairman, I want Hydro to be run in an efficient manner, and I want all the people, all the business people -

MR. THOMS: As all good corporate citizens do.

MR. BARRY: Answer the question.

MR. NEARY: - all good corporate citizens do -

MR. BARRY: Answer the question. Answer the question now.

MR. NEARY: I want all the business people -

MR. BARRY: Yes or no, yes or no.

MR. NEARY: - all the business people, Mr. Chairman, that went into bankruptcy -

MR. BARRY: Yes or no.

MR. NEARY: - all the business people - the car dealers, they went into bankruptcy, all the car dealers that went into bankruptcy - kick them off the payroll -

MR. CHAIRMAN: (Baird) Order, please!

MR. NEARY: - and then pay a property tax.

MR. BARRY: Yes or no.

MR. NEARY: The hon. gentleman has the answers.

MR. BARRY: Yes or no. Do you want them to pay property tax?

MR. NEARY: Yes, I want all the political hacks to be kicked off the payroll -

MR. BARRY: You want them to pay property tax, okay.

MR. NEARY: - of Newfoundland Hydro. I want all the cars taken away, all the privileges, all the big contracts, all the insurance policies -

MR. BARRY: You want Hydro to pay tax.

MR. NEARY: - I want all that taken away from Tory party hacks -

MR. BARRY: You want Hydro to pay property tax.

MR. NEARY: - and then pay a tax to the municipality.

MR. BARRY: Okay, you want them to pay property tax, okay.

MR. NEARY: If the hon. gentleman is indirectly getting the answer as yes, then he is quite right. And it will not increase electricity rates in this Province one iota. Mr. Chairman, what a foolish, false argument. It is all right for the government to go off and set off explosions on either side of the Strait of Belle Isle costing the taxpayers \$110 million. And one of the reasons we are paying higher electricity rates, one of the reasons the minister approved, Mr. Chairman, one of the reasons why the minister approved an increase in electricity rates was because of the money they had to borrow to pay off for that foolish little charade they had on either side of the Strait.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Yes, Sir, it says so, and the minister was responsible.

MR. CHAIRMAN: (Baird) Order, please! I would like to remind the hon. member we are talking about Clause 116. Relevancy, please.

MR. NEARY: Mr. Chairman, you are going to hear an awful fuss, there will be an awful fuss. The municipalities will kick up an awful racket when they find out -

AN HON. MEMBER: (Inaudible).

MR. NEARY: Pardon?

AN HON. MEMBER: They are going (inaudible) when they find out (inaudible).

MR. NEARY: When they find out what?

AN HON. MEMBER: There is nothing to be ashamed (inaudible).

MR. NEARY: Mr. Chairman, for years -

MR. MORGAN: (Inaudible).

MR. NEARY: Oh, listen to 'square-mouth', listen to the spruce budworm expert, the minister responsible for starving cattle.

MR. MORGAN: (Inaudible).

MR. NEARY: Well, if anybody is an expert on pests, it is the hon. gentleman. Nobody is more qualified to speak on pests and parasites, more qualified than the hon. member for Bonavista South.

MR. CHAIRMAN: (Baird) I would remind the hon. gentleman for Lapoil again, please, relevancy.

MR. NEARY: Mr. Chairman, for years the municipalities in this Province have been trying to get at Crown corporations, both federal and provincial, and there was a big court case recently in Port aux Basques and CN had to cough up, CN had to pay their tax. I believe, Sir, that Crown corporations should come under the ambit of this bill. The municipalities have been trying to get money off the government for years; where you have highways depots, where you have public buildings, they get away scot-free. I believe, Sir, they should pay some kind of a grant, they should be given some kind of a grant by the government in lieu of taxes.

MR. CHAIRMAN: The hon. member from Grand Bank.

MR. THOMS: Mr. Chairman,

MR. THOMS:

this particular section, of course, does not specifically state that Crown Corporations are taxable. I think it is probably just another example of this government trying to sneak a particular section into the act without any fuller explanation. As a matter of fact, I am not quite sure that you are not going to end up with a court case in connection with this. I am not so sure that Crown Corporations actually do come within section 116 (a) or (b).

AN HON. MEMBER: (Inaudible).

MR. THOMS: 116 (a) or (b).

AN HON. MEMBER: Real property belonging to Canada or any province -

MR. THOMS: (a), I am sorry, any property belonging to Canada - no, wait now, where it is here about Newfoundland? It is not (a). Anyway, the minister says that Crown Corporations are exempt. Now I am not so sure that Crown Corporations are exempt under this act. It may take a court case to prove whether or not Crown Corporations are exempt. Why would the minister not write right into the act that Crown Corporations are exempt? Because that would be completely out of character with the way that things are being tried to be snuck through in this particular bill.

Mr. Chairman, this particular clause also gives me an opportunity to speak about something that I think every member of this House of Assembly, both past and present, can be ashamed of in this Province and that is in connection with a Crown Corporation, the Newfoundland Liquor Corporation, a corporation in this Province that makes in the vicinity of \$25 million or \$30 million a year. You are saying that that corporation should not be taxable. And the minister says that you are only taking it out of one pocket and you have got to get it from the same people back again. Mr. Chairman, maybe this is why the Newfoundland Liquor Corporation puts very little of its profits into an educational programme in this Province in relation to the abuse of drugs and alcohol and what alcohol can do to people, what alcohol can do to children, what alcohol can do to

MR. THOMS:

teenagers. What sort of an educational programme does the Newfoundland Liquor Commission have? And I am talking about Crown Corporations, they should be taxable. I think it is relevant.

Now if the President of the Council wants to say that the education of the children of this Province by an agency of the government that is selling a drug, that is selling something that will affect everybody in this Province, making \$25 million or \$30 million a year and not putting, I do not think they are putting a cent into the education of the harmful affect that alcohol can have on people who are drinking it.

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

MR. CHAIRMAN (BAIRD): A point of order.

MR. MARSHALL: It is obvious the hon. gentleman is out of order. I mean, we are discussing this bill to impose a municipal property tax and if he is addressing himself to the question he is quite relevant, if he is addressing himself to the question of imposing a property tax on a Crown Corporation. But now the hon. gentleman is going further and further afield. He is talking about the Newfoundland Liquor Commission, you know, committing some of its profits towards the education of youth, apparently, or people with respect to alcohol and drugs. And I submit it is completely out of order.

MR. CHAIRMAN: On the point of order. We are talking on clause 116. I think it is a difference of opinion between two hon. members.

SOME HON. MEMBERS: Hear, hear!

MR. THOMS: Mr. Chairman, I think what the President of the Council is trying to say is that he does not care what harmful affects alcohol has on the young people of this Province. He does not care, it is irrelevant. It does not apply so we should not discuss it. We should get up on a point of order and say, Do not talk about the affect that alcohol is going to have on the children of this Province.

MR. THOMS: That is it. We should get up on a point of order and say, "Do not talk about the effect of alcohol is going to have on the children of this Province, because that would cut down on the \$25 or \$30 million a year that that corporation puts into the treasury of this Province." It is a shameful thing and, as I say, I am not being partisan about it. This administration, previous administrations, previous previous administrations, are at fault and previous, previous, previous administrations are at fault.

MR. CHAIRMAN (Saird): Order, please. I would remind the member of relevance.

MR. THOMS: Mr. Chairman, I think it is relevant. Here we are exempting a Crown corporation from paying taxes, and that same Crown corporation making \$25-\$30 million dollars a year in profits, and a Crown corporation that refuses to put any dollars whatsoever back into an educational programme. Mr. Chairman, as I said in the beginning, if the government wants to exempt Crown corporations, why do they not come out and say Crown corporations are exempt? But they do not do that. They just try to sneak it through, sneak it into a particular clause. Maybe it is a good job they do not have it here in a specific matter. Maybe the courts will decide that Crown corporations are really not property belonging to the government and, therefore, would not be exempt under the act.

MR. CHAIRMAN: Shall Clauses 11 through 129 carry?

MR. LUSH: Mr. Chairman

MR. CHAIRMAN: The hon. member from Terra Nova.

MR. LUSH: Mr. Chairman, I just want to raise a point with respect to Section 118, a matter that is very important to all councils in the Province. It is not a matter of the assessment of the tax, or the imposition of a tax, I find from dealing with councils in my own area that a real problem is within the collecting of the tax, and this is the only appropriate place that I can see to question the minister on this particular point. I think that one of the great problems of all councils right throughout Newfoundland is in the

MR. LUSH: matter of collecting taxes. I see nothing in this particular bill that is going to assist councils in this matter. What we have, of course, is the imposition of extra taxes which is going to burden the councils because they cannot collect the tax structures that they already now have in existence. And my question to the minister is what time are we going to enforce the law so that businesses or individuals are forced to pay their taxes? And that is the big problem now from what I can gather, that the law is not presently being enforced. And I think there is a law which has two parts to it - (1) that when a person is prosecuted, a delinquent taxpayer, be it a business tax or a private tax, a poll tax, whatever, that one part of it is that there be a fine levied on that particular person; and the other is that the court order the person concerned, or the business concerned, to pay the amount of outstanding taxes to the council. This, Mr. Chairman, is not happening. What is happening in the courts is that the fine is being levied, be it \$10 and this is about what I think it is, but the people are not being ordered to pay the taxes and I think this is a very important matter. It is one thing to be imposing a tax, and another thing to have a law that will assist the councils in getting the monies that are owed them, and presently that is not happening. So I would like for the minister to comment on that particular issue.

MR. WINDSOR: Yes. Mr. Chairman, first of all there are a number of things that are being done, and I also disagree with the hon. gentleman when he says that there is nothing in here, just there are more taxes being imposed. That is quite clearly false. There are a number of 'nuisance taxes', as the Whelan Commission called them, which are being eliminated here - hawker's tax, peddler's tax, and this sort of thing that will not be there anymore; amusement taxes, that

MR. WINDSOR:

sort of arbitrary thing that, really, has been extremely difficult to collect. These are being eliminated and are being looked on now as, basically, just a business tax, which is much easier to collect. The property tax itself is much easier to collect than a service fee. Service fee is the one that is extremely difficult. The property tax, of course, you can attach the property. You can put a lien on the property, but you cannot put a lien on a person for a service fee, you can simply -

AN HON. MEMBER: (Inaudible).

MR. WINDSOR: Yes. So, property tax is much easier to collect. Your colleague, a couple of days ago, speaking on the fact that we could take somebody to court and that he could be fined \$25 a day each and every day, complained that that was too onerous. You are saying now that that is not onerous enough, but, you know, that was exactly what I was saying then and you are agreeing with what I said, in that a person who goes to court for failure to pay taxes is fined for failing to pay taxes -

MR. WOODROW: And ordered to pay it.

MR. WINDSOR: - and ordered to pay it. If he does not pay it the next day, the municipality can take him back into court again, and your colleague was complaining that in due course the fine could be more than the taxes.

AN HON. MEMBER: Where all he is paying is the fine.

MR. WINDSOR: Exactly.

AN HON. MEMBER: The municipality has nothing.

MR. WINDSOR: Yes, but, hopefully, in time he will get the message and will pay it. Now, there are a couple of other steps that we are taking or have taken. I do not know if you noticed in my address in Gander as it relates particularly to civil servants, that we have said that the wages of civil servants may be attached for taxes, which is a departure which will be put in place. We have also said that back taxes may be collected by attachment of wages by the courts, so when a

MR. WINDSOR: person is taken to court then the courts may attach wages for the collection of back taxes, a municipality can, but the municipality cannot attach wages now, for instance, of civil servants. The other aspect, I think we already have circulated here a piece of legislation on a small claims court which we are putting in place, which, hopefully, will speed this whole process up to a very high degree, so that instead of having to go through all the formal procedures there will, indeed, be a small claims court which can deal with this particular issue. So, what I am saying is, Mr. Chairman, there are, indeed, many things in here which will, hopefully, speed up the whole thing and make it easier for municipalities to collect, one of the main things being the property tax itself being collected.

MR. CHAIRMAN: (Baird) Shall Clauses 111-120 carry?
The hon. member for Baie Verte-White Bay.

MR. RIDEOUT: Sorry, Sir, I have a word or two I want to say on this.

Mr. Chairman, I found the -

MR. MARSHALL: (Inaudible).

MR. RIDEOUT: Pardon?

MR. MARSHALL: (Inaudible).

MR. RIDEOUT: 116. The hon. the House Leader, Mr. Chairman, is really on his toes. Just in case we might talk about a clause that has already gone, is it?

MR. MARSHALL: (Inaudible).

MR. RIDEOUT: Thank you.

Mr. Chairman, I found the earlier comments on Clause 116 rather interesting, because last night I spent an hour or so - I do not know why I should do it - but I spent an hour or so watching on television the debate in the House of Commons, and the great defender of the rights and privileges of municipalities, Newfoundland's own John C. Crosbie, the Minister of National Finance, had introduced into the Commons yesterday a resolution, a bill, Bill 53 I believe it was, to further liberalize grants in lieu of taxes to be paid by the Government

MR. RIDEOUT: of Canada and by Federal Crown corporations to municipalities. So, I find that, you know, really where we do not have that kind of supplementary legislation in this particular Province, certainly an argument can be made as to whether or not some of those Crown corporations that are relatively rich, some of them that are making a very good profit, should they not help to equalize or to bear part of the tax burden in the municipalities where they are situated, where they are located? Certainly the municipalities are not very - make great haste to make that case to the Government of Canada, places like Gander, for example, where you would have the Canadian Armed Forces located, I have heard them bellyache - and rightly so - in the news media for the past number of years over the fact that the grant was not sufficient, the fact that certain aspects of the military establishment were excluded, and Mr. Crosbie was on last night making that very point and amending that a piece of enabling legislation that they have in Ottawa whereby a lot of the previously exempted property will now come under this particular bill. I find it interesting that this Province, as a province, with the municipalities being the creatures of the Province as they are has no comparable enabling legislation, because if Newfoundland Hydro or if Churchill Falls, for example, where there is a lot of activity by and on behalf of Newfoundland Hydro, if Churchill Falls were an incorporated municipality with a property tax, then I would think it would be right and proper that

MR. RIDEOUT:

the municipality of Churchill Falls be entitled to a grant in lieu of taxes from that corporation. I think it equally right and proper that - maybe it is incorporated, I do not know. I did not bother to check it out - St. John's, for example, should be entitled to a grant in lieu of taxes from the Newfoundland and Labrador Liquor Corporation, that Baie Verte should be entitled to a grant in lieu of taxes for the big building that the Newfoundland Liquor Corporation has in that municipality, or that Roddickton should be entitled to a grant in lieu of taxes from Newfoundland Hydro for the real property that it has in that town. And the real effect of it, of course, Mr. Chairman, and exactly why the Government of Canada have accepted that very principle is that it will enable a more equal sharing, a more equal distribution of the tax burden in the municipality. And if some of these Crown Corporations are fledgling, if some of them are just barely getting along then there may be an argument and a case for exemption and certainly there is no reason why we cannot do that. Most of those corporations are set up under acts of the Legislature and for a period of time you could grant them the same concession that you would grant other companies setting up in the Province, give them a tax break, give them a tax window. But to give them a blanket tax break I think is quite unfair, especially when they partake of the services in the municipalities where they are operating. I think it is quite unfair and I think an excellent argument can be made to have that changed especially where those corporations are lucrative.

Now I know the counter argument or part of the counter argument that some of the revenue comes back into the general revenue of the Province and gets redistributed that way. That is certainly the case as far as, say, Newfoundland and Labrador Liquor Corporation is concerned. It is not the case, though, as far as Newfoundland and Labrador Hydro is concerned. It is not the case, I do not think it is the case as far as Newfoundland and Labrador Farm

MR. RIDEOUT:

Products is concerned. A lot of those corporations have a tax break from the municipality level, yet they are enjoying the very same services that the people in the municipality have to pay for. And, like I said, the federal government have recognized that principle. I think it is a principle that this provincial government ought to recognize also and maybe for once jump on the bandwagon with their buddy John and introduce a comparable bill to bill C53 down here in our Legislature so that the fledgling municipalities, some of which have a very weak tax base in this Province - and the minister would be the first to recognize it and admit it - might be able to find some revenue from some of those lucrative Crown Corporations and thereby lessen the tax burden on the ordinary individual in those municipalities. I think it is an excellent idea and I certainly hope that the minister would not just chuck it out the window but might give some thought to it.

MR. CHAIRMAN (MR. BAIRD): The hon. Minister of Municipal Affairs and Housing.

MR. WINDSOR: Just to comment very briefly, the hon. gentleman made a very unfortunate choice of examples when he choose Churchill Falls. It is not incorporated. It is totally owned by Churchill Falls (Labrador) Corporation. All services are provided by the corporation.

AN HON. MEMBER: A Crown Corporation?

MR. WINDSOR: It is a Crown Corporation. The town itself is owned by the corporation. So it was a poor choice, but that is irrelevant.

The point I want to make is that he relates it to the federal government. The difference in the federal and provincial government, Mr. Chairman, is that the federal government does not provide revenue grants or snowclearing grants or road maintenance grants or recreational grants or anything else to municipalities that the Province is providing. And if you take funding from Hydro, if we add \$3 million onto Hydro's bill, they have only one choice which is to pass that along to the consumer. If you add \$3 million, say, real property taxes to

MR. WINDSOR:

the Newfoundland Liquor Corporation, then obviously they do not need to pass it along -they could-or they can deduct it from the amount of revenue that they are turning over to the Province, in which case we would have that much less to pass out through municipal grants or whatever.

As it relates to the Newfoundland Housing Corporation, somebody said it was a great profit making organization. The Newfoundland and Labrador Housing Corporation first of all is a non-profit organization. And in spite of that on all the rental units, I am told that the Housing Corporation does indeed pay property taxes even though they are not by the act bound to but they are indeed paying property taxes on their rental units so that the rental properties and particularly public housing units that we have in various municipalities are not therefore a burden on the municipalities.

So we are doing it as equitably as possible. The whole purpose of this act is to try to distribute equally as much as we can the burden on the municipalities.

MR. CHAIRMAN: (Baird)

The hon. the member for Terra Nova.

MR. LUSH:

Mr. Chairman, I am wondering whether

we are still taking the general classification as was indicated earlier from Section 110, I believe it was, to Section 120. Rather than speaking to just one, I wondered what the -

MR. CHAIRMAN:

Sections 111 to 120.

MR. LUSH:

Sections 111 to 120 - so we have already

passed Section 110. There is a question I wanted to ask of the minister and I am trying to find out where I can ask it. I will just let that go for a moment. I am sure there is somewhere I can get it in, Mr. Chairman.

Thank you.

MR. CHAIRMAN:

The hon. the member for Baie Verte -

White Bay.

MR. RIDEOUT:

Mr. Chairman, I do not want to prolong

this and I have no intention of doing so, but I certainly have to have one last crack at the logic used by the minister with regard to the federal position. I mean, the federal position could be exactly the position of the minister, and that is the federal government could be saying, 'No such thing as grants in lieu of taxes. We give grants for special educational purposes, we give grants for special highway purposes, we give grants for universities, we give grants for offshore exploration, we give grants, grants, grants, grants, you know.'

AN HON. MEMBER:

(Inaudible).

MR. RIDEOUT:

They give them to the government of this Province -

AN HON. MEMBER:

That is right.

MR. RIDEOUT:

- which in turn gives much of it to the municipalities.

AN HON. MEMBER:

Right.

MR. RIDEOUT:

There have been water and sewer systems done under that kind of thing. So I do not want that kind of -

MR. WINDSOR:

That is not equal.

MR. RIDEOUT:

Well, it is just as equal, I would submit

to the minister -

AN HON. MEMBER:

Hear, hear!

MR. RIDEOUT: - in the redistribution of the wealth as having Newfoundland Hydro hold on to it all and not pay any share for the services that we are getting in those communities. I am not saying sock it to them, but maybe if they had a big head office in Corner Brook, or a big head office in St. John's or Baie Verte or somewhere else, then maybe - I think the principle is important - maybe they ought to contribute something towards the cost of municipal services in those municipalities. Maybe they will turn over a little bit less revenue to the government, and so what? The grants are coming from another source - they will not have to come from the minister's department. So I think the principle is a commendable one, and while it may not be able to be done on the same level and the same broad range that it is done from a federal level, I think there are certain Crown corporations in this Province who could help pay, help foot the bill for municipal services to a degree, to an extent. I mean, even Corner Brook, for example, is still looking for grants in lieu of taxes from the Sir Wilfred Grenfell College out there, are they not? Is there going to be any resolution to that? Can they expect to have any resolution to it?

AN HON. MEMBER: (Inaudible).

MR. RIDEOUT: I realize it is in a sense that the college is owned by a private firm and leased back by the government, but what I am saying is that I would not like to see the principle thrown out the window without any thought given to it. We may not be able to do it here on the level that it can be done from the federal level, but certainly I think there is some merit to it and it might be able to be worked out so that the burden on the shoulders of the little fellow might be lessened a little bit and some of the burden thrown back on some of the Crown corporations who are making a good buck in this Province.

And maybe the minister might be able to tell us, too, whether some of those large Crown corporations in this Province are on a privatization list. That is the way to get the taxes out of them.

MR. N. WINDSOR: Mr. Chairman, we could beat the effort to death, I suppose, if we keep going back and forth. All I can say is that,

MR. N. WINDSOR: you know, he talks about the federal government saying that they do put some funding in the municipalities, no argument with that. Most of the funding from the federal government would be through DREE programmes and that sort of thing, and the fact that DREE puts several million dollars into a major regional water supply in St. John's does not mean that they have done anything for Torbay, in other words, so therefore, if they have a post office in Torbay, then Torbay should get something by way of a grant in lieu of taxes on that post office. Most of the funding from the federal government has gone into major regional services, with the exception of our new Municipal Grants programme which is this \$4.2 million programme for this year and which will be distributed among municipalities but not to all of them, again. So not all municipalities are getting any benefits. So it may be that a community that gets some benefit from that programme does not have a federal government building in there so, you know, they are getting money there. Another municipality that does have a federal government building may not. So it is fair, you know, it is more equitable that way, to acknowledge for the federal government that they have a building there and therefore they are paying grants in lieu of taxes. But that does not follow with a province where we are paying grants to every municipality and trying to do it

MR. WINDSOR:

as equally as possible through the municipal grant system that was approved by this House two years ago. And the whole concept of that is to try to treat municipalities as equally as we possibly can. Yet we recognize we do not want to put on any burden, and that is why pretty well in all cases we are paying water and sewer rates and any other service charges or fees for services rendered.

MR. CHAIRMAN (MR. BAIRD): The hon. member for Terra Nova.

MR. LUSH: Mr. Chairman, here we are talking about generally the rate of tax that is to be imposed by a municipality, which raises two questions. I understand that now in order to qualify for a water and sewer system that a municipality must impose a property tax. I am wondering now how this affects, for example, the present system whereby a town applying for a water and/or sewer system must first of all circulate a questionnaire among the residents of the community and get 80 per cent approval among the residents; one, stating that they want a water and/or sewer system and, secondly, that they must agree to pay the water and sewer rates implemented by that particular town. So I am wondering how that now fits in or whether just by application of the property tax that this is now eliminated.

And secondly, I am wondering where this places the unincorporated water committees - oh, I am sorry, the incorporated water committees for unincorporated towns. I am just wondering how this fits in. It seems to me we are carrying on this same sort of mess and perpetuating the same sort of mess that we now have whereby the unincorporated areas have been getting breaks over the incorporated areas. So I wonder if the minister can comment on that. What is happening to those poor incorporated water committees now that have been set up to try and get water for their communities. Are they outside of this? And again, if so, we have again created a great gape between the incorporated areas and unincorporated areas of this Province.

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

MR. WINDSOR: No, Mr. Chairman, there is no great change. These water committees the hon. gentleman is talking about will now be known as local service districts which is basically -

AN HON. MEMBER: Automatically?

MR. WINDSOR: Yes. They are basically the same thing, except the local service district now whereas at the moment under the existing legislation we have water committees, we have solid waste disposal committees under my colleague's department, we have fire fighting committees in some communities, this sort of thing; what we are saying is that for communities that wish to provide specific services - and there is a full section here on local service districts which we will come to in time - but for those committees that wish to provide these specific services but do not want to get involved in the whole ambit of providing local government services and all the infrastructure and responsibilities therewith, that we may continue under these local service committees but that we combine these three forms into one so that we do not go into a particular community and find that we have three committees which government is dealing with and three committees that are collecting a dollar for this and two dollars for that and four dollars for that from each person who benefits from these services. We are saying we can combine these and that these local service committees, power will be designated to them to provide very specific services. There is no power of taxation, simply a fee for service, that is all. So there is no change there whatsoever and they are not covered by this property tax. In fact, they do not have the right to impose taxation. They can only charge a fee for services. So it does not change that.

MR. CHAIRMAN (BAIRD): The hon. member for LaPoile.

MR. NEARY: Mr. Chairman, you would think if the minister was going to make this bill the Magna Carta for the operation of municipalities in this Province that the minister would have brought in a formula whereby municipalities would be given grants in lieu of taxes. This has been a sore spot with municipalities for years, as the hon. gentleman knows. Perhaps the hon. member for Gander (Mrs. Newhook) who used to be a mayor of that town, can tell us what they do

MR. NEARY:

in case of the DOT property in Gander, the airport and so forth.

Does the town council in Gander get a grant from the Government of Canada in lieu of taxes or can they charge a property tax to the Department of Transport for the buildings and for the airport in Gander? I am sure the town council in Gander certainly must have taken a look at

MR. NEARY:

trying to get at the Government of Canada to get some money from the airport and from the buildings that DOT have there in that Central Newfoundland town. The hon. minister was - I will yield. I will yield. What kind of a grant? The hon. minister used to be mayor of that town, was the hon. minister satisfied with the grant that they got in lieu of taxes from the Department of Transport or is it a bone of contention always with the council out there?

MRS. NEWHOOK: No, Mr. Chairman, that has not been, really, a bone of contention. I think sometimes there has been a question with regard to the assessment that the Federal Government would put on their properties, because the Federal Government, they do their own assessments and it is not always the same as our provincial assessment of that particular property. There is no problem with regard to the grant in lieu of taxes, except sometimes we thought that, perhaps, it should have been in excess of what they did receive on account of the assessment value of the properties.

MR. CHAIRMAN: (Baird) The hon. member from Lapoils.

MR. NEARY: Well, the point I am making, Mr. Chairman, and I thank the hon. minister for the information because this confirms what we have been saying on this side of the House, that the Province -

MR. CHAIRMAN: Hon. member for Lapoils, what clause are you on now?

MR. NEARY: I am on tax exempt property, 116 - that the government, the provincial government, should follow the good example set by the Government of Canada and pay a tax to the municipality. For instance, in Stephenville, a large section of the property in Stephenville is owned by the provincial government, and under this act the Town of Stephenville cannot impose a property tax on the Harmon Corporation. Now, I do not know if they get a grant in lieu of taxes or not.

MR. WINDSOR: (Inaudible).

MR. NEARY: Pardon?

MR. WINDSOR: Harmon Corporation (inaudible) Harmon corporations are paying taxes.

MR. NEARY: They are paying taxes - property? They are paying the going rate in Stephenville. Well, that is good, I am glad to hear that. I am not so sure about Goose Bay. What is happening in Happy Valley-Goose Bay? Are they getting a grant from the Government of Canada?

AN HON. MEMBER: Yes, they are.

MR. NEARY: They are getting a grant. Well, the problem then seems to be - as the Minister of Consumer Affairs and Environment (Mrs. Newhook) who seems to know more about this particular section of the bill than the Minister of Municipal Affairs and Housing (Mr. Windsor) - the problem seems to be with the assessment where there is a property belonging to the Government of Canada, then the problem seems to be with the assessments that are made. Perhaps the minister might have more information that could enlighten us as to whether or not he has any complaints from municipalities who would think they are being shafted by the Government of Canada, who do their own assessing, according to the Minister of Consumer Affairs and Environment, they assess their own property.

AN HON. MEMBER: What about anyone (inaudible) down in Cartwright where they have -

MR. NEARY: Yes, well, there are all kinds of Federal Government property scattered through Newfoundland and Labrador, and I do not know if all in cases - we just confirmed it in the case of Gander that they do get a tax -

MR. WINDSOR: They only pay it, by the way, where there is a property tax imposed.

MR. NEARY: Where there is a property tax?

MR. WINDSOR: Where there is a property tax imposed. They will not pay it in a municipality that does not have property tax as the tax system. That is an important point to remember.

MR. NEARY: But, Mr. Chairman, the point we are making is that the Government of Canada does have a policy. The Government of Canada has a formula whereby they compensate municipalities,

MR. NEARY: whether it be a property tax or a grant in lieu of taxes, at least the municipality does get something from the public treasury of Canada. But in the case of Newfoundland, there is no policy, no policy, and here we have Section 116 exempting real property belonging to Canada. Now, Mr. Chairman, what kind of an effect is that going to have on the Ministry of Transport that are now assessing their own property in Gander and paying a tax to the Town of Gander? What effect is this going to have? Could not the Ministry of Transport, if they place their own interpretation on this bill, say to the Town of Gander - and I hope the hon. member for Gander (Mrs. Newhook) is listening - under Section 116(a), real property, it says, "The following real property is exempted from the real property tax:

MR. NEARY: real property belonging to Canada or any province of Canada." Now I would assume real property belonging to Canada means the airport and the buildings around that airport. Could not the Ministry of Transport -

AN HON. MEMBER: CTC.

MR. NEARY: That is right. Could not the Ministry of Transport say, 'Well, okay, you just put a bill through your House down there exempting property belonging to Canada from any taxation, from the real property tax, so we are not going to pay you anymore,' Could that not be the interpretation placed on Section (A) of this clause?

MR. THOMS: Sure, there could be a real danger.

MR. NEARY: There is a danger there, a real danger.

MR. THOMS: Especially with the Tories in there.

MR. NEARY: That is right, with their retrenchment, with their cut backs in Ottawa and Crosbie getting the tough line - bully boy! - came in here and put the gears to the Newfoundlanders. Now he is trying to put the gears to Canadians. But with the retrenchment and with the cut backs, could they not get stingy and tight and say, 'No, under this bill, we do not have to pay the town of Gander, the town of Stephenville, the town of Happy Valley, Goose Bay' or any other towns where you have - the St. John's airport where you have large chunks of federal property,' they could put their own interpretation and say, 'No, we are not going to pay this.'

But I tell you, the most nonsensical part of (A) is 'real property belonging to Canada or any province of Canada.' In other words, if any province of Canada comes in to Newfoundland, if wealthy Alberta comes in here, sets up a high rise office building in St. John's to Cole out loans to the provincial government -

AN HON. MEMBER: Or collect their interest.

MR. NEARY: - or to collect the interest from the provincial government on loans already made, if wealthy Alberta sticks up a building in this Province, the city of St. John's is not allowed to collect

MR. NEARY: the tax. Now is that fair, Mr. Chairman? Does the hon. minister think that is fair? Why have in there 'to Canada or any province of Canada'? Why is it there? Can the hon. minister tell us? What happens if Alberta comes in and buys up some property? What happens if Petro-Canada comes in here? And they are probably in here now. They will be exempt from taxation. If they take over all the property purchased in Freshwater Bay by the Crosbie empire in anticipation of hitting the jackpot at the end of our offshore rainbow, if Crosbie makes his killing, as he expects to, and this government sits idly by and allows them to buy up all the property around Freshwater Bay and then turn it over to Petrocan -

AN HON. MEMBER: (Inaudible).

MR. NEARY: It is not agricultural land. But down at Virginia Lake it is good agricultural land. I believe it is one of two private leases on a pond given to anybody in Newfoundland. The poor people down there cannot get a permit, cannot get their land freed up to build a house, but Crosbie can get his lease to Virginia Lake.

AN HON. MEMBER: Lease?

MR. NEARY: It is a lease, is it not? I do not know if it is a lease or a grant. It is some kind of a special arrangement.

AN HON. MEMBER: If you own the land you can get a permit.

MR. NEARY: If you own the land you can get a permit - For what? To build a house? Well, you had better tell that to your colleague who was turned down by the Metro Board, turned down by the Appeals Board and eventually had to appeal to Cabinet, and eventually got his permit but only after a -

AN HON. MEMBER: Long, hard struggle.

AN HON. MEMBER: (Inaudible).

MR. NEARY: The hon. gentleman is on agricultural land?

AN HON. MEMBER: (Inaudible).

MR. NEARY: Well, the hon. gentleman got his permit.

Mr. Chairman, I am trying to find out from the Minister of Municipal Affairs (Mr. N. Windsor), Sir, why (A) is

MR. NEARY: in there, that real property
belonging to Canada or any province of Canada be exempt from taxation.
Why is that in there?

AN HON. MEMBER: (Inaudible) lucky Alberta. If there
is any owned by the Territories they have to pay taxes.

MR. NEARY: That is right. Why is it in there?
Could the hon. gentleman justify having this in there?

AN HON. MEMBER: The BNA Act says so.

MR. NEARY: The BNA Act - in other words, municipalities
are not allowed to tax property belonging to the Government of Canada or
any other province.

MR. NEARY:

Well, I would like to see that in the British North America Act. I wish I had the British North America -

MR. WINDSOR: We happen to have property in Nova Scotia which is not being taxed.

MR. NEARY: That is not being taxed. What kind of property do we have in Nova Scotia? That is an interesting remark.

MR. WINDSOR: It is a share in the School for the Blind.

MR. NEARY: A share in the School for the Blind. Well, schools come under a different part. Schools are a little further down. It says cemeteries operated by churches, public schools and colleges as defined in the Schools Act. Well, okay, a school is a school. I understand that. But I am talking about property belonging to Canada or any province in Canada. That is nonsensical. It should not be in there. I would like for the minister to get up and justify putting it in there in the first place.

MR. CHAIRMAN (MR. BAIRD): Shall Clause 111 to 120 carry?

MR. THOMS: No, Mr. Chairman.

MR. CHAIRMAN: The hon. member for Grand Bank.

MR. THOMS: Mr. Chairman, I would like to ask a question. It seems to me-maybe it is in the BNA Act, I do not really know - but as I understand it now hearing from the member for Gander (Mrs. Newhook) that in that particular town anyway they do receive a grant in lieu. Now it seems to me that under this particular section that the department of Government of Canada can now say, you know, we do not have to pay you any more grants so we will not pay you any more grants. Now I wonder in his great educational programme in this Province prior to bringing this bill in, if the minister informed all those who were receiving grants, I am wondering if he informed the town council of Gander, for example, that once this act is passed it is possible that they are going to lose their grant from the federal government. I was wondering in his speech at Gander whether or not he advised the town of Gander to that effect. Now do not say it is impossible.

MR. THOMS:

With John Crosbie in Ottawa as Minister of Finance anything is possible.

AN HON. MEMBER: Finished?

MR. THOMS: No, we are not finished. I already told you I am prepared to be here until Christmas or New Years on this particular act. And no matter what you might say over on the other side it is not going to get me down any quicker or out of the House any quicker.

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: (Inaudible).

MR. NEARY: I will go down to Salvage. The next time I want a spree I will go down to Salvage.

AN HON. MEMBER: One month (inaudible).

MR. NEARY: Yes, I might just do that.

MR. MORGAN: You have not got the courage.

MR. NEARY: They are gunning for you down there. The cattle owners are waiting for you.

MR. MORGAN: Come on down and (inaudible).

MR. NEARY: The owners of the cattle -

MR. CHAIRMAN (BAIRD): Order, please!

Does the member for Grand Bank wish to continue?

MR. THOMS: I am enjoying this too much to interrupt, Mr. Chairman.

Mr. Chairman, I personally see no reason why we should provide a loophole for the federal government in this matter. They are paying grants now and I do not think we should provide them with this particular loophole. There are retrenchments right across the nation and it is possible that they will take advantage of this particular act to get out from under the giving of grants in this Province. And I think the councils that are receiving grants should be given an opportunity to find this out.

MR. WINDSOR: Mr. Chairman.

MR. CHAIRMAN (BAIRD): The hon. Minister of Municipal Affairs and Housing.

MR. WINDSOR: It is very difficult to respond to such a nonsensical argument ^{as} that, Mr. Chairman. There is nothing changing. Did I say in Gander that I advise municipalities that they might lose their grants? No, I did not. I did not advise them that Christmas was coming either, but it is. There is nothing changing in this piece of legislation, Mr. Chairman. There is no requirement in there, there is nothing we can put in there or take out of there that changes the situation. The fact is that we cannot tax the Government of Canada. And nothing I can do, nothing the municipalities can do about it whether we like it or do not like it, is going to change it. So I did not tell the municipalities in Gander. Utter nonsense!

MR. NEARY: Mr. Chairman, this is kind of arrogance, Sir, that this government is becoming noted for. The hon. gentleman was asked a civil question by my hon. colleague, the member for Grand Bank, and he expected a civil answer.

MR. WINDSOR: I gave it to him.

MR. NEARY: No. Well, the answer was not satisfactory, Sir.

MR. THOMS: There was no answer.

MR. NEARY: There was no answer and not only that, Sir, but the minister and the government are providing the Government of Canada with a loophole to weasel out from under paying taxes to municipalities under this bill.

MR. WINDSOR: But the original bill (inaudible) 1949.

MR. NEARY: Yeah, yeah, yeah, do not be so foolish. Mr. Chairman, were we responsible for the tidal wave over here? Were we responsible for the recent earthquake they had down in Iran -

AN HON. MEMBER: Or sinking the Titanic.

MR. NEARY: - or the sinking of the Titanic, as my friend says?

AN HON. MEMBER: (Inaudible) -

MR. NEARY: Pardon?

DR. COLLINS: - he says you are responsible for a flood down in (inaudible),

MR. NEARY: Mr. Chairman, this minister has come into the House and said, "This is a major reform. We are going to bring in a bill, the likes of it has never been seen in this House or this Province before."

MR. ROBERT: Every time we question something, he just says it is there all along.

MR. NEARY: And now he is starting to go off his head, he is getting irritable and jumpy and -

AN HON. MEMBER: He does not have far to go.

MR. NEARY: That is right, he takes his marbles and runs away. We are going to keep asking the minister questions, whether it was Responsible Government, Commission of Government, whether it was the Ayatollah over in Iran that first introduced the legislation. The minister is claiming that this is a major reform, that this bill is the end-all and cure-all for municipalities in this Province. We are asking the minister if he would give consider to removing (a) of Section 116 that will give the Government of Canada an 'out', give the Government of Canada an opportunity to weasel out from paying the taxes that they are now paying, if they want to. If Crosbie, up there in Ottawa, who is scraping and scrounging now to figure out ways to put the boots to the Canadian people, if Crosbie sees this bill, as he will, fleaagle-eye-beagle up there, if he sees that bill, he will say, okay municipalities in Newfoundland, you are cut off. Crosbie is just the boy to do it, he is just the lad to do it. Then, to add insult to injury, they also include in (a) "any other province of Canada that builds property in Newfoundland". If Alberta comes in and puts up a big tower -

MR. HOUSE: What are they going to do with that?

MR. NEARY: - the Canadian Broadcasting Corporation -
pardon?

MR. HOUSE: What would they do with it if they put it up here? (Inaudible) property, what would they do with it, boy?

MR. NEARY: Well, they would find a sucker in the government, and they would probably rent it to the Newfoundland Government.

MR. HOUSE: And then whoever would rent you would pay the tax on it. Read section 114.

MR. NEARY: The answer that the hon. gentleman gave us for exempting other provinces of Canada, just listen. The answer he gave us, the excuse he gave us was that it is against the British North America Act. Well, I challenge the hon. gentleman to quote the section, to quote the section of the British North America Act that says that you cannot impose a tax on property belonging to other provinces of Canada. What hogwash and foolish nonsense! The minister just dreamed it up, it just popped in his mind. He figured that would be

MR. NEARY: a good as any reason to fling across
the House.

MR. HOUSE: You are trying to mislead us here.

MR. NEARY: I am trying to mislead! Mr. Chairman,
well, would the hon. gentleman care to get up and straighten us out?
I will yield if the hon. gentleman would care to

MR. HOUSE: You know, you are saying that the minister
made it up. It is not made up. Actually, the Federal Government -
you have to put that in this particular act so that councils will not
go and try to tax the Federal Government, because they are not taxable,
it is as simple as that.

MR. NEARY: Mr. Chairman, there are two arguments
going on here now, okay, two, two arguments. Number one is that we are
claiming that under Section (a), if the hon. gentleman will just follow
me - well, all right, let us take the Government of Canada first. The
Government of Canada are assessing themselves at the moment, and they
are paying a tax -

MR. HOUSE: A grant in lieu of taxes.

MR. NEARY: - a grant in lieu of taxes - but this
bill, this section will give them an 'out'. If they do not want to pay
that tax, they can go to the municipality and say, "Look, we are

MR. NEARY:

exempt under section 116 (a) of your Magna Carta that you just passed through the House to run municipalities in Newfoundland."

MR. HOUSE: Well, that has always been in the Act. It has always been in it.

MR. NEARY: Oh, that has always been in.

AN HON. MEMBER: But we have always had Liberal Government in Ottawa and you trust that Liberal body.

MR. ROBERTS: And we will have one again.

MR. NEARY: And then the other argument we are using is that the administration of which the hon. gentleman is a member should bring in a formula, should follow the example of the Government of Canada and give municipalities a grant in lieu of taxes for Crown Corporations. Now is that -

MR. HOUSE: We are also paying and we are almost matching dollar for dollar with the monies that are collected.

MR. NEARY: You are paying what?

MR. HOUSE: The provincial government is matching dollar for dollar practically with the municipalities.

MR. NEARY: Dollar for dollar with the Government of Canada?

MR. HOUSE: No, with the municipalities.

MR. NEARY: No, I am talking about provincial Crown Corporations, provincial property like the regional college out in Corner Brook, like Memorial University.

MR. ROBERTS: They will not even pay the water rates.

MR. NEARY: They will not even pay - that is right.

MR. HOUSE: They do in some places.

MR. NEARY: And then the nonsensical part of it that I was arguing about when the minister interrupted me, was property owned by other provinces of Canada.

MR. HOUSE: You cannot tax them anyway.

MR. NEARY: You cannot tax what?

MR. MORGAN: Other provinces.

MR. HOUSE: Just the same as federal, I think is it the same.

MR. NEARY: Mr. Chairman, you can tax property from other provinces of Canada, you can.

MR. HOUSE: No.

MR. NEARY: Yes you can.

MR. MORGAN: Since when? What is your authority in saying that?

MR. NEARY: Well, give us your authority.

MR. THOMS: Give us your authority now, come on.

MR. NEARY: Give us your authority.

MR. ROBERTS: If the hon. gentleman from Bonavista South does not know what he is talking about, my friend makes a statement, let the hon. gentleman challenge it with something substantial.

MR. NEARY: That is right. Well, I will yield and if the hon. gentleman will give me -

MR. MORGAN: The BNA levels the tax on the provinces.

MR. NEARY: The BNA Act, Mr. Chairman. I want to see the BNA Act. I want to see the section of the BNA Act.

MR. ROBERTS: (Inaudible) read it.

MR. MORGAN: (Inaudible) you are a lawyer you should know that.

MR. NEARY: Oh, you are just listening to what - the hon. Minister of Municipal Affairs dreamed that up.

MR. MORGAN: No, that is a fact.

MR. HOUSE: It is in your previous legislation, legislation you fellows made up.

AN HON. MEMBER: Back to 1949.

MR. NEARY: I thought, Mr. Chairman, I heard this crowd go around this Province in several provincial general elections and say, everything that the former administration did we are going to undo it. Well here is one thing you cannot undo.

AN HON. MEMBER: The BNA Act.

MR. NEARY: You cannot undo the BNA Act, no. I did not say you could. But this has nothing to do with the BNA Act. The Minister of Municipal Affairs should quote the section of the BNA Act that says that you cannot impose a tax on property belonging to other provinces of Canada if that property is in this Province. Do I hear any takers? Do I hear the Minister of Municipal Affairs sending for his executive assistant to go down and get the British North America Act, bring it up into the House -

MR. ROBERTS: That would be the blind leading the blind.

MR. NEARY: That would be the blind leading the blind, that is right.

MR. ROBERTS: Or the bland leading the blind.

MR. NEARY: Mr. Chairman, I think the hon. gentleman owes it to this House to tell us why that particular part of (a) is included in section 116. I think it should be left out. I am almost tempted to move an amendment. But now that the Premier is back in his seat - the hon. gentleman used to be Minister of Municipal Affairs at one time - if the hon. gentleman is not too preoccupied with oil coming in making ministerial statements now to try to get back in the good graces of the fishermen. He has been talking about oil so long that they thought that he was going to put his turban on. Can the hon. gentleman tell us - I will read this for the benefit of the hon. the Premier who has been out again having his picture taken. In the October edition of Oil Week he only had thirteen pictures. I would like to ask the Premier how much time he sets aside, how much time does he allocate every day of his life to have his picture taken? His picture is only in Oil Week thirteen times. So if the Premier can just take time out from having his picture taken to tell us why his government has not brought in a formula when they are bringing in this great reform that we heard so much about, that was given so much advance coverage and advance notice that this was supposed to be the end all and cure all for municipalities in Newfoundland, why a formula was not brought in by his administration to give grants in lieu of taxes for property in

MR. NEARY:

various municipalities owed by Crown Corporations. Can the hon. Premier answer that for us? And why it was necessary to carry on the old tradition of putting into an act property owned by any other Province of Canada cannot be taxed in Newfoundland? The Minister of Municipal Affairs just made a foolish statement that is contrary to the British North America Act but the hon. gentleman did not give us the section of the

MR. NEARY: British North America Act that is contradicted. So if the hon. the Premier would stop skipping through the paper to see if his picture is there, maybe he can get up and enlighten us as to why it was necessary to put this clause in the Municipal Act under tax exempt property. I think it is wrong, Sir. I think it should be corrected. I will not move an amendment at this point in time, I will wait and see if one of my colleagues can be motivated into moving an amendment. If not, I will have a few more words and I might be tempted to move an amendment that this be deleted from the act. I am not going to move it yet.

MR. CHAIRMAN: (Baird) Shall Clauses 111 to 120 carry?

MR. NEARY: No, Sir, not yet.

MR. ROBERTS: Mr. Chairman, I would simply say that if my friend from LaPoile (Mr. Neary) wishes to carry on, I am most interested in what he is saying, and now that another speaker has spoken, I have concluded my remarks, and the Chair may wish to recognize my friend from LaPoile.

MR. NEARY: Well, Mr. Chairman, I do not wish to delay the proceedings of the Committee, Sir, but I do want to move that part (a) of Section 116 -

MR. ROBERTS: We want to be here with 'Morgan' for Christmas.

MR. NEARY: That is right. Well, no, we can all go down to Salvage and partake of his hospitality down in Salvage for Christmas.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Yes, he even has the stained glass windows, they are still in the L.O.L. nail.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: I move, Sir, that this clause be amended and that "The following real property is exempt from the real property tax: real property belonging to Canada or any province of Canada" be deleted from the bill, and if the government so desires,

MR. NEARY: they can add, 'that a formula be developed whereby municipalities will receive a grant in lieu of taxes for any property belonging to Crown corporations that should happen to fall within the municipal boundaries of any town or community throughout this Province.'

MR. CHAIRMAN: (Baird) Would the hon. member clarify that amendment?

MR. NEARY: I move, Mr. Chairman, that part (a) under Section 116 be deleted and that it be substituted with (a) - (a) would now read: 'that a formula be developed whereby municipalities would be given a grant in lieu of taxes where property belonging to Crown corporations fall within municipal boundaries.'

MR. CHAIRMAN: Does the amendment carry? All those in favour, 'Aye', contrary, 'Nay'. In my opinion, the 'Nays' have it. On motion, Clauses 111 through 120, carried.

MR. CHAIRMAN: Shall Clauses 121 through 130 carry?

MR. N. WINDSOR: Mr. Chairman.

MR. CHAIRMAN: The hon. the Minister of Municipal Affairs and Housing.

MR. N. WINDSOR: I move that the Committee rise and report progress, Mr. Chairman.

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

MR. SPEAKER: (Simms) The hon. the member for Humber West.

MR. CHAIRMAN: (Baird) Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report progress and ask leave to sit again.

On motion, report received and adopted. Committee ordered to sit again on tomorrow.

MR. SPEAKER: The hon. the President of the Council.

MR. MARSHALL: I move that the House at its rising do adjourn until tomorrow, Wednesday, at 1:00 P.M. and that this House do now adjourn.