

PRELIMINARY  
UNEDITED  
TRANSCRIPT

HOUSE OF ASSEMBLY  
FOR THE PERIOD:  
3:00 p.m. - 6:00 p.m.  
THURSDAY, NOVEMBER 15, 1979

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

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

I am sure hon. members would like to join me in welcoming in the galleries today nine students from Harbour View Academy of Harry's Harbour, Green Bay, along with their chaperones, Mary Louise Godden and Sheila Fitzpatrick.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Also visiting with us today and seated in the gallery are Captain Hasty and twenty-three college officers of the Salvation Army, from all over Newfoundland and Labrador, who are presently studying to become Salvation Army Officers.

SOME HON. MEMBERS: Hear, hear!

STATEMENTS BY MINISTERS

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

MR. N. WINDSOR: Mr. Speaker, I beg leave to make a very brief verbal statement, I do not have a prepared statement, just to inform members of the hon. House that just a few moments ago my colleague, the hon. Minister of Justice (Mr. Ottenheimer), and I signed a two year agreement with the prison warders covering some 120 employees at Her Majesty's Penitentiary in St. John's, the Salmonier Prison Camp and the Correctional Institution in Stephenville. Negotiations had been ongoing for some time and agreement was reached just late in October, late last month, and we have now just signed the formal agreement. It is a two year agreement and I would just like to note that negotiations were quite agreeable and I thank the union and their representatives for the manner in which they presented themselves and the manner in which these negotiations were carried out.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for the Strait of Belle Isle.

MR. E. ROBERTS: Mr. Speaker, we, on this side of the House, welcome the minister's announcement. It is good news and it should be treated as such and we extend congratulations to all to whom they are due, including the minister and his colleague, the Minister of Justice, the negotiating officials, I believe, are part of the Treasury Board staff attached to the staff of the Treasury Board headed by the minister and, of course, to the representatives of the union involved. I express the hope that we will have the same happy results in the negotiations which are ongoing with the firemen, the union representing the firemen, and with the Police Brotherhood representing the members of the Royal Newfoundland Constabulary. I understand both of those sets of negotiations have now been referred under the appropriate legislation to, what it amounts, I believe, to, binding arbitration. As I recall, it is binding on the government on one hand, and the men - I guess they are all men; there are no women in either force - the men employed on the other.

AN HON. MEMBER: (Inaudible)

MR. E. ROBERTS: I am sorry.

AN HON. MEMBER: (Inaudible)

MR. E. ROBERTS: Are there women included in the Police Brotherhood.

AN. HON. MEMBER: No, in the penitentiary.

MR. E. ROBERTS: No, I was speaking only of the firemen and of the police. There are no women, I believe, employed either in the Fire Department or as members of the Royal Newfoundland Constabulary.

I wonder

MR. E. ROBERTS: if I could ask the minister, perhaps, to indicate—he did not but I am sure he would have the information. It is a two year agreement—from when to when. Is this a case where — does it begin, say, from the first of April the beginning of the fiscal year, in which case we are eight or nine months into the agreement and we have fifteen or sixteen left, or is it to be effective as of a current date?

MR. SPEAKER (SIMMS): Hon. minister.

MR. N. WINDSOR: Yes, Mr. Speaker, the agreement actually expired on October 31st., 1978. So we are actually thirteen months into the agreement.

MR. E. ROBERTS: I think it took thirteen months to negotiate it.

MR. N. WINDSOR: Yes, that is true. However, there are some extenuating circumstances in this particular case. To admit that that may appear to be an unusually long period of time to negotiate an agreement, but in this particular case — it has been traditional, in fact that the warders follow the firefighters and the police; they appear to be about at the same level. Normally, the warders being a very small group in relation to the other two, the negotiations, one followed the other. There was always a correlation between the two. Negotiations, in this case, were interrupted for various reasons along the way and it was not until early in October that a Conciliation Board was actually appointed and within three weeks an agreement was reached at the board meeting. It was not, as a result of a board report; the board, in fact, never did have to report, but with the aid of the Conciliation Board appointed by my colleague, the Minister of Labour and Manpower (Mr. Dinn) an agreement was reached.

ORAL QUESTIONS

MR. SPEAKER (SIMMS): The hon. member for Grand Bank.

MR. L. THOMS: Mr. Speaker, my question is to the Minister of Justice (Mr. Ottenheimer). I am sure the minister, by now, is aware of the story that appeared in this morning's Daily News in connection with the suspension of <sup>a</sup> a psychiatrist from the Waterford Hospital. Apparently, the psychiatrist was suspended for having given a patient some sort of a blow - a clip to the head, I think, as he referred to it - because he got annoyed at the patient for blowing smoke in his face. My first question to the minister is: in what capacity was this patient at the Waterford Hospital? In other words, was he there on <sup>2</sup> Lieutenant-Governor's warrant, was he referred by the court or a volunteer admission or what?

MR. SPEAKER: The hon. Minister of Justice.

MR. G. OTTENHEIMER: Mr. Speaker, I am certainly aware of the incident to which the hon. gentleman refers. And all I can say at this time is that I have asked officials within the department to get a complete report for me on that matter and we will certainly make it known to the hon. House as soon as I have it. And that may be before we terminate today, in which case, by leave, I will certainly be pleased to give it.

MR. L. THOMS: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the hon. member for Grand Bank.

MR. L. THOMS: Mr. Minister, I was wondering if you could tell the House at this time whether or not this particular psychiatrist is

MR. THOMS: also treating patients at Her Majesty's Penitentiary and, if so, has his privileges been suspended at that place?

MR. SPEAKER (Simms): The hon. Minister of Justice.

MR. OTTENHEIMER: The person in question has in the past treated patients at the institution referred to by the hon. member. Since the alleged incident to which the hon. gentleman refers, there have been no further such treatments.

MR. SPEAKER: A final supplementary, the hon. member for Grand Bank.

MR. THOMS: Mr. Speaker, actually I would like to put a question to the hon. the Minister of Health at this time. Could the minister inform this House whether or not this patient was injured in any way, whether or not he was seriously injured, whether or not the patient has to be hospitalized?

MR. SPEAKER: The hon. Minister of Health.

MR. HOUSE: Mr. Speaker, I do not have that information. I do not think he has been because my senior officials have been in touch with the administration there and confirmed pretty well the report of course, that Dr. Paulse has had his privileges suspended.

The altercation, of course, it is quite normal to happen what has happened, and that is when there is any seeming unbecoming conduct is to suspend the privileges and the investigation by the medical board and the hospital board. But I have no indication that the patient was injured.

MR. JAMIESON: A supplementary.

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

MR. JAMIESON: I will yield to my colleague, I did not realize he was not through.

MR. SPEAKER: The hon. Leader yields to the hon. member for Grand Bank.

MR. THOMS: Mr. Speaker, a supplementary question to the Minister of Health. I would like to know what kind of an investigation

MR. THOMS: is to be carried out here, what kind of an investigation his department is to carry out here, whether or not it is going to be an internal, whitewash job or whether we are going to have an external investigation into this matter?

MR. SPEAKER (Simms): The hon. Minister of Health.

MR. HOUSE: Mr. Speaker, it is quite normal, the way this is done is by the Newfoundland Medical Board and the Hospital Board, it is an internal matter and I do not think I can get involved as a minister at this particular point in time or our department can. We just got a confirmation that there will be an investigation.

MR. SPEAKER: A new question, the hon. member for LaPoile.

MR. NEARY: Mr. Speaker, now that the hon. Premier has returned to his seat, I wonder, Sir, if the hon. gentleman could enlighten us as to whether or not the first thing he did this morning when he came to his office was to send for the Chairman of the Newfoundland Hydro Corporation and the Chairman of the Public Utilities Board, because I am sure the Premier was as shocked as all consumers of electricity in this Province to learn that

Mr. Neary: the Newfoundland Light and Power Company is now making a million dollars a month profits. So did the hon. gentleman send for the Chairmen of both Boards, the Newfoundland Hydro Corporation and the Public Utilities Board, and demand an explanation for these excess profits on the part of the Light and Power Company?

MR. SPEAKER (SIMMS): The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, if I was to call anybody to my office early this morning relative to the subject that the hon. member mentions, I would not call the Chairman of the Newfoundland and Labrador Hydro to answer questions about the financial viability or otherwise of Newfoundland Light and Power; neither would I call the Chairman of the Public Utilities Board. I suspect I would call other people who were more directly associated with the company called the Newfoundland Light and Power.

MR. NEARY: A supplementary, Mr. Speaker.

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

MR. NEARY: In view of the fact, Mr. Speaker, that it is the Cabinet who approves increases in electricity rates in this Province, applications on the part of the Newfoundland Hydro, does the hon. gentleman now feel that the government was wrong, they were not right, in granting the recent increase that was recommended by the Public Utilities Board, that Newfoundland Hydro could have gotten the revenue they needed from Newfoundland Light and Power Company without Newfoundland Light and Power Company passing it on to the consumers in view of the fact that they are making a million dollars a month profit in this Province?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, we are talking about two different entities here, Newfoundland and Labrador Hydro and Newfoundland Light and Power Limited, and they are regulated under the Public Utilities Board. This is a new process that have been put in place by government over the last number of years to put these two utilities under the Public Utilities Board and have them totally scrutinized. And the revenue that Newfoundland and Labrador Hydro needs in order to be a viable



Premier Peckford: corporation so that it can continue to borrow money and bring on new hydro projects at Hinds Lake, and bring on a hydro project at the Upper Salmon, to do experimental hydro projects in Roddickton, and to ensure that there is a stable supply of electricity, then they needed this kind of revenue. And that was totally scrutinized by experts in the field, by the Public Utilities Board, and then approved eventually by Cabinet. But we have to understand, Mr. Speaker, that we are talking about two different entities, one a private utility which is regulated through the Public Utilities Board,

PREMIER PECKFORD:

and another one a Crown corporation which has to be confronted by the Public Utilities Board and upon recommendations from the Public Utilities Board it is Newfoundland and Labrador Hydro's rate increases which then are approved by Cabinet. We are talking about two separate entities here, one which is into the wholesaling of electricity, Newfoundland and Labrador Hydro, and a Crown corporation, and one which is a private utility which is regulated by the Public Utilities Board and which does not have that kind of government interference.

MR. NEARY:

A supplementary, Mr. Speaker.

MR. SPEAKER: (Simms)

A final supplementary. The hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, would the hon. gentleman now agree and the hon. gentleman is side-stepping the questions that I am putting to the hon. gentleman. I do not want to repeat the one that I just put, but the hon. gentleman, either deliberately or otherwise, misinterpreted the question that I put to the hon. gentleman. What I asked the hon. gentleman was did he think it was necessary for an increase to be passed on to the consumers in order for Newfoundland Hydro to get the revenue that they needed to do all the things that the hon. gentleman just told us they wanted to do, was it necessary to pass the increase on to the consumer in view of the fact that Newfoundland Light and Power in their quarterly report declared that they have earnings, profits, of \$1 million a month? And does the hon. gentleman now feel that in the light of this information in their quarterly report, that Newfoundland Light and Power shareholders, most of whom are outside of this Province, who do not live in Newfoundland, does the hon. gentleman now feel that the increases should be rolled back and, if so, what action will the hon. gentleman and his government take to see that these increases in electricity rates are rolled back?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

The matter is not that simple,

PREMIER BECKFORD:

Mr. Speaker, The hon. member for LaPoile (Mr. Neary) puts the question and his preamble makes the whole issue very simple if you take just the gross earnings or the gross profit. One has to look at a company not from the point of view of how much they earn per month but what is the rate of return on their investment and what kinds of new projects and the amount of money that they make that is put back into the operation to insure its viability and to insure that it has enough new projects on the go or enough power to serve its customers. So it is not a simple matter of saying, you know - the hon. member for LaPoile (Mr. Neary) might be making - I do not know - he might be making \$30,000 or \$40,000 a year, he might have expenses of \$60,000 or \$70,000 a year. He might be investing \$10 a month into some company and that company might be making a lot of money or he might be grossly, but the amount of expenses and other things, the capital investment, the return on investment are all factors which have to be put into the equation. And I can only reiterate for the hon. member and for members of this House and for the people of Newfoundland and Labrador that we will continue to monitor - the Minister of Mines and Energy (Mr. Barry), the Chairman of the Hydro Corporation and others in

PREMIER PECKFORD:

Cabinet-will continue to monitor the situation as it relates to electrical rates. I have indicated this morning on an interview on C.B.C. television that we are examining other routes that we can take as it relates to trying to offset the high electrical costs on consumers of the Province, and hopefully, very shortly we will be in a position to react to and to try to take new initiatives as it relates to the impact that it does have upon consumers of electricity in the Province. That is one thing. And we will continue to develop and be innovative and try to bring in new measures. We will continue to look at the performance of Newfoundland Light and Power, the performance of Newfoundland and Labrador Hydro and others in the Province as it relates to this whole matter and keep it under constant review. But we must remember that it is not a simple matter of saying that somebody earned this this month or that last month - it is more complex than that. It involves just how viable the corporation is, how much of a return on investment they need in order to borrow additional money and how much additional money they have to put in to keep all the lights burning.

MR. SPEAKER: (Simms)

The hon. the member for the Strait of Belle Isle.

MR. ROBERTS:

Mr. Speaker, my question is for the Minister of Transportation and Communications. I gave him oral notice shortly before the House sat. It relates to the proposal to build a new stretch of road, which I would think is one of the few stretches of road needed to be built in the Island of Newfoundland, that portion of this Province, and that is the road which runs from the community of Main Brook in Hare Bay to join up with the new portion of the road which runs from Eddy's Cove East over near St. Anthony to Pistolet Bay, the airstrip is where the old road ran. And I simply want to know if the minister would bring us up to date as to where we stand. He will recall that when I asked the question in the Summer session, he told us, Mr. Speaker,

MR. ROBERTS: that this was to be one of the items added to the - I think the phrase was 'the shopping list', the list which will go forward to DREE, the list which has on it a number of roads, a number more than will be funded. Could the minister tell us where it stands? Is it still on the list? Has the list gone forward and where are we in the negotiations with DREE?

MR. SPEAKER: (Simms) The hon. the Minister of Transportation and Communications.

MR. BRETT: Mr. Speaker, I had an opportunity to be in that part of the Province this Summer and I think probably I appreciate what the hon. member is talking about much more than I could last Summer.

The department recognizes that section of road - or, it is not road now, but proposed section of road-as being very important. As the hon. member indicates, it would be a much shorter route to the hospital in St. Anthony, a much shorter route to the airport and so on.

We still consider it a high priority. I would like to see it on the 'shopping list'. I do not think that list is entirely made up at the moment. We are not certain how much money is available in the overall general agreement with DREE

MR. BRETT: and until such time as we do it is rather difficult to make up the total list. There are a lot of roads in this Province that are important. Certainly realizing how important it is, if DREE does not come across with the funds or whatever, I think in the future this road will have to be built. I cannot say whether or not it will be done next year. That will depend on the priorities placed by government and of course what money is available.

MR. SPEAKER (Simms): A supplementary, the hon. member for the Strait of Belle Isle.

MR. ROBERTS: I thank the minister for what I think is a very fair and a complete answer and I appreciate that. Could the minister tell us when we might expect some announcement as to the present DREE agreements, the road sub-agreement under the general development agreement negotiated by my friend and colleague, the present Leader of the Opposition, the gentleman who put hundreds of millions of dollars into the Province? The roads agreement expires the 31st. of March, the end of the current fiscal year, and there is no work contracted for except the work which is included in that agreement. That is only four months away. Could the minister tell us when he expects- and I realize he might not be able to say to the day and I will not hold him to it because it is not entirely in his control in any event- but could the minister tell us when he expects that we might be in a position to know what is to be in the next DREE roads agreement under the GDA and could he tell us, please, when we might expect accordingly to have some idea as to whether any work will be done this year on that section of the road through DREE? I am not asking about the provincial money because he has talked about that; that will depend on the budget.

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

MR. BRETT: The hon. member is correct, Mr. Speaker. The Trans-Canada Highway agreement terminates this year as well, and

MR. BRETT: there is approximately \$18 million in that one and I think about \$18 million or \$20 million in DREE that has not been already contracted out. So we do have a fair number of dollars for next year.

MR. ROBERTS: You are going to have a dropped balance.

MR. BRETT: Oh no.

MR. ROBERTS: You are going to have all on a contract basis.

MR. BRETT: That is right. It will be all under contract next year so in actual fact the coming construction season will see the end of both agreements.

I am sorry I cannot give the hon. member an answer as to when we can expect something final from DREE, but certainly I would hope - of course, that is being negotiation by Intergovernmental Affairs more so than by my department. While I would expect to be in on the negotiations, it will be done by that department. But I would hope that before the budget comes down in March we will have some kind of an answer.

MR. SPEAKER: A final supplementary, the hon. member for the Strait of Belle Isle.

MR. ROBERTS: Thank you.

Does the Premier - did you want to say something.

PREMIER PECKFORD: No, I wanted to respond and to follow up on what the Minister of Transportation and Communications says.

MR. ROBERTS: By all means.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: I have a meeting arranged with the Minister of DREE for November 26th. to review the whole GDA thing, and in line with consultations that I had with the Minister of Transportation and Communications to begin formal negotiations directly with Ottawa on a new roads agreement. So that will be part, as will three or four other packages of DREE agreements which are now on the go.

November 15, 1989

Tape No. 1089

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MR. SPEAKER (Simms): A final supplementary, the hon. member for the Strait of Belle Isle.

MR. ROBERTS: Thank you. I thank the Premier and he has added to his colleague and I am grateful. Could the Premier, perhaps, indicate the meeting begins in November; he is seeing



Mr. Roberts: Mr. MacKay, the minister, the end of this month - could he tell us whether he expects to have a new roads agreement in place in time to have work begin this coming year? Now the minister, I think, has made it clear that the \$18 millions or \$20 millions will all be under contract. That is what we have always done to get the contracts out and then, you know, the work will be carried on - we do not drop the balance, we will not let the federal people have their \$18 million back, thank you very much. Mr. Crosbie might like it, but he is not going to get it. But if it is not committed by the 31st. of March, then it goes back to Ottawa, it is a dropped balance.

But can the Premier tell us whether we might expect some announcement - you know, January, February, March, sometime after this negotiating process - whether we might expect some announcement about the road around Hare Bay?

MR. SPEAKER (SIMMS): The hon. the Premier.

PREMIER PECKFORD: Yes, Mr. Speaker, it is my desire and the desire of government to ensure that we have a roads agreement in place before the bringing down of the Provincial Budget in March or late February. So that is our target. And that is one of the reasons why I want to meet with Mr. MacKay as to set up some timetable now, and to get the agreements that are easy to sign, if you will, in the sense that we all recognize, like roads and so on is a standard kind of a procedure, in light of many other DREE agreements that could be there. The DREE Roads Agreement is more like an operational agreement now, it has become, as opposed to some of the other agreements that the Leader of the Opposition knows about.

AN HON. MEMBER: (Inaudible).

PREMIER PECKFORD: Exactly. And therefore we are desirous of ensuring that that is done by February or March at the latest.

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

MR. RIDEOUT:

My supplementary

is to the Minister of Transportation and Communications (Mr. Brett). We in the other part of that Northern area certainly have no objection to and are very supportive of the efforts to build a road down through Hare Bay to connect in with the St. Anthony Airport, but we also have the concern of the possible downgrading of what we refer to as the Cross Country Road from Plum Point, fifty-two miles through to Englee. And I would ask the minister now if he could give an assurance to the House that that road will not be downgraded, but rather it will be upgraded and that it will continue to be a priority for reconstruction and paving, that is, the Cross Country Road?

MR. SPEAKER (SIMMS): The hon. Minister of Transportation and Communications.

MR. BRETT: No, Mr. Speaker, there is no intention of downgrading that road. I drove over that one this Summer as well. I was surprised. It is not all that bad, really. It is a road that could very easily brought up-it is a bit narrow-but it is a road that could be very easily brought up to standard, and my intentions would be, if not to pave it, then at least to put some sort of a crushed gravel top on it. There is not a lot of traffic on that road, but we consider it, you know, an important road, and certainly we will not be downgrading it.

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

MR. JAMIESON: Mr. Speaker, I would like to refer the hon. the Premier to the document, the hydro discussion paper on bilateral issues of September 5, which comes to mind as a result of his references to a pending meeting with DREE. I have a number

MR. D. JAMIESON: of questions, as many as Your Honour will permit. May I ask, first of all, in connection with roads, since the original agreement by mutual consent was confined to trunk highways and to what were described, I believe, officially as trunk roads at that time with the Province to assume the responsibility for secondary roads, and I think again I am using the correct expression, do the comments today suggest, and, incidentally, I am all in favour of it if that is the case, that the government is proposing to seek federal assistance on highways other than what are called in the formal agreement's trunk highways?

MR. SPEAKER: (Mr. Simms) The hon. the Premier.

PREMIER PECKFORD: Yes, Mr. Speaker, the answer to that question is yes. I think the reason why I have asked for the meeting with Mr. MacKay is to review the whole general development agreement, and, first of all, to try to identify how Mr. MacKay and the new federal government perceives its role in this regard and its whole role of DREE in Newfoundland and Labrador over the next four or five years so that we could sort of fit that into our overall five year plan as well for the various areas in which DREE gets involved in. So it is our desire now as we get many of the - what shall I call them? - major trunk roads, if not all, done in the Province, to look at some other very critical areas which have to be addressed and which have a high capital cost on them. So we do not tie ourselves to the criteria that has applied hithertofore, but look at some changing of the criteria to encompass and accommodate additional roads which can be classified in the old sense as being secondary roads.

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

MR. SPEAKER: Supplementary, the hon. Leader of the Opposition.

MR. D. JAMIESON: I understand the Premier very well, but I think the point that I was seeking to make is that the justification or special treatment for Newfoundland was on the basis of the necessity for upgrading of what were described as being these main arteries. And there was a considerable constitutional argument, as I recall it, as to federal responsibility. Once one got away from these kinds of roads.

MR. D. JAMIESON:

I am asking the Premier whether in fact he is concerned that perhaps going after federal funding in that direction might possibly reduce his leverage or bargaining power in terms of, let us say, a 90/10 agreement on the Trans-Canada Highway, or a Trans-Labrador Highway? In other words, would it be, and I am not asking him to disclose strategy at this stage, but I suggest from experience that it may well turn out to be the case that Newfoundland's arguments may be much stronger if we work upon those things which can be seen to have a strong federal component rather than opening up a situation in which every province in Canada could be asking for

MR. D. JAMIESON: every ten or fifteen miles of secondary road to be done by the Federal Government?

MR. SPEAKER(SIMMS): The hon. the Premier.

PREMIER PECKFORD: I understand the point very well. Also, Mr. Speaker, it depends on the nature of the road. Words can become important or unimportant as you want and and how you want to categorize it. So it would have to be a pretty substantial rationale, but I would like to think that it is right for the meeting that I am having now that is all things are sort of on the table or to get some view of how DREE perceives its role into the future as it relates to road reconstruction, and then to sit down with Mr. Mazankowski as it relates to the Trans-Canada, and which I have already communicated to Mr. Mazankowski on that regard in getting a better deal on the Trans-Canada and the Trans-Labrador Highway, and whether we can get some start on that. And that must be all part of, not a one year deal but a four or five or a six or seven or perhaps even longer kind of deal. We will have to examine, as we get how they perceive their roles, and how we perceive the strengths and weaknesses that we have, to put together various packages. For example, I think it is in the Labrador agreement, which hopefully we will be bringing in soon, the Coast of Labrador one, that we have a major component of road reconstruction in the Labrador area which one would think, normally, would come into the roads programmes. So it crosses over into various other agreements, as the Leader of the Opposition knows. But his point is well taken and we have to examine the mandate and the way the Federal Government now perceive the role, the kind of strength they bring to the table, as to whether we can get some other additional roads, which are now secondary now in the roads agreement, and yet not jeopardize a better kind of split on the Trans-Canada Highway.

MR. D. JAMIESON: A supplementary, Mr. Speaker.

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

MR. D. JAMIESON: I again thank the Premier for his answer. I am essentially seeking information here and, incidentally, I hope in the process maybe providing a little out of my experience that may be useful. What I would like to ask as a supplementary relating to roads again. It has to do with timing. I note again in the document to which I referred the Province's worries about the slowness of negotiations. I see a situation, regardless of the anxiety on both sides, where we may well be, for example, given the necessity for a federal budget, given the necessity for a variety of other things, we may well be into 1980 before it is going to be possible to get something down on paper. Now in the interim, my colleague from the Strait of Belle Isle (Mr. Roberts) and others, and I have written the hon. Premier with regard to roads in my own area and discussed them with the Minister of Transportation and Communications (Mr. Brett), I am seeking to get some clarification to the extent that it is possible now as to whether or not the Government of Newfoundland is going to have to say, "Well, look, we cannot tell the people of Southeast Arm or the area that was referred to here or to some other area what we are going to do because we do not know what DREE is going to do." In other words, are the two absolutely linked into tandem or will there be a specific and separate kind of, if you like, roads programme for the Province?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, there will be a separate provincial roads programme for the Province for 1980 which is 100 per cent funded by the Province, no question about that. And what that will be now will depend largely on how successful we are in accommodating additional roads which we might like to put into a DREE agreement and what ones are left over to be part of the provincial system. And it is opportune then that we get the

PREMIER PECKFORD: meeting with Mr. MacKay early on now so that we can get that cleared away.

The other thing is, and I appreciate the concern, that we are trying to establish timetables with Mr. MacKay and the DREE people so that we all know where we stand and we give ourselves dates on which we try to meet respective agreements. And, of course, the roads programme is extremely important to us and will be one which we will want to see prioritized for an agreement on by February. But there will be a provincial roads programme in 1980; the extent of it and the number of roads and the names of the roads will depend largely upon the DREE agreement and how well we can get on with that. The other provincial secondary roads then will become part of our own roads programme.

MR. D. JAMIESON: Final supplementary, Mr. Speaker.

MR. SPEAKER: (Simms)  
question and answer.

We have time, I think, for one final

The hon. the Leader of the Opposition.

MR. JAMIESON: I appreciate again that there is a complexity here. What I wanted to try to clarify a little more than I have been able to do is whether or not, for instance, the Minister of Transportation and Communications, in his department, has a figure in view or a planning strategy for roads which are the responsibility of the Province and that will go ahead. I say that because one of the worries that must also appear to members opposite is when roads which are clearly, or, let me say, highly unlikely to be involved in any DREE agreement, people are saying, well, they have not been represented, there is no request for this kind of road. There is a confusion here which seems to boil down to the fact that we are not being specific enough about what is going to be asked for out of the federal government and what is unmistakably going to have to be, in one way or another, the responsibility of the provincial government. I hope I have made myself clear.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Yes, I think the Leader of the Opposition

has made himself clear to me. There are obviously quite a few roads around the Province which will never be under a DREE agreement and, therefore, the Minister of Transportation (Mr. Brett) and his people, his engineers, have been working up figures as to costs of that road reconstruction or the paving of that road. And that is well underway, as I understood it, from the minister a couple of weeks ago, that there has been a fair amount of work done already and they are assimilating additional information from survey crews that were out around the Province. So yes, there is a lot of that work done which we know are roads which have to be financed 100 per cent by the Province, and the only thing now that the Minister of Transportation is eager to know is how much money that the Minister of Finance (Dr. J. Collins) and the President of Treasury Board (Mr. N. Windsor) and the other ministers



PREMIER PECKFORD: are going to allow him to have come next February as we get down to the real hammer and tongs thing around the table of trying to hammer out a Budget. But there are, obviously, legitimate provincial roads which we know now, to all intents and purposes, will remain 100 per cent provincial, which we have to prioritize, which we have to get costs on and which the minister then has to bring and hammer out with me in Cabinet over the next few months. So I do not think we should - and I agree with the Leader of the Opposition - in every case if a delegation comes in from a certain place in the Province and I know in my own mind that that is 100 per cent provincial and we will not get it for the next ten years into a DREE agreement - well, then it is only fair to say, 'This is 100 per cent provincial. We are going to be responsible if it goes ahead; we are going to be responsible if it does not go ahead.'

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

NOTICES OF MOTION

MR. SPEAKER: The hon. the Premier.  
PREMIER PECKFORD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Provide For An Advisory Council On The Status Of Women".  
SOME HON. MEMBERS: Hear, hear!

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER: The hon. the Minister of Labour and Manpower.  
MR. DINN: Mr. Speaker, this is a -  
SOME HON. MEMBERS: Oh, oh!  
MR. SPEAKER: Order, please!  
MR. DINN: It arises out of a question I was asked during Oral Question period by the hon. the member for Bonavista North (Mr. Stirling) with respect to people who got in touch with him.

November 15, 1979

Tape 1093

EC - 3

MR. DINN:

The item was on C.B.C. a night or  
so ago.

Just to inform the hon. member,  
I did find his letter. As a matter of fact, I found fifteen letters  
that were in the bottom of a drawer in my department, and I have to  
go out and apologize to all those fifteen people for not getting back  
to them; his happened to be one of them.

AN HON. MEMBER:

Have you checked the other drawers?

SOME HON. MEMBERS:

Oh, oh!

MR. DINN: It happened at a point when we were moving into the department over there and we had quite a few files around in the office. I did, on behalf of the hon. member, telex the Minister of Employment and Immigration with respect to those people and hope to have a reply for him in the next day or two.

MR. SPEAKER: (Simms) The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, the hon. member for the Strait of Belle Isle (Mr. Roberts) asked me a question the other day and I said I would get the information. His question was, "Can the minister tell us how much extra equalization money will come?" And he was referring to how much each extra dollar on the price of a barrel of oil will bring into the pockets of the Treasury of the Province.

Mr. Speaker, there are estimates given as to the amount of extra revenue which will accrue to the energy sector from one dollar on the barrel and the equivalent increase in the price of natural gas. It depends on production and so on and so forth but it is estimated to be around \$800 million to \$900 million in total which will accrue to the energy sector from the one dollar increase.

MR. ROBERTS: For each dollar?

DR. COLLINS: For each dollar increase. Now under the present arrangement, forty-five per cent goes to the companies, producing companies, forty-five per cent to the producing provinces, and ten per cent to the federal government mainly through income tax levy.

Now the Province of Newfoundland will get two sources of revenue from that. It will get, firstly, money under the equalization formula from the producing provinces.

MR. ROBERTS: Normal equalization.

DR. COLLINS: Yes, normal equalization formula. One half of the amount of extra revenue which will go to the producing provinces will go into the equalization formula and on that basis it

DR. COLLINS: would be something like \$180 to \$200 million which would go into that part of the equalization formula. And on the basis of our population, the proportion of our population to the population of Canada, which is a little over 2.4, I think it is, 2.4 per cent, that would mean we would get 2.4 per cent of that \$180 to \$200 million or \$4 to \$5 million.

MR. ROBERTS: So every dollar that oil goes up is an extra \$4 to \$5 million for the government.

DR. COLLINS: From that. Now in addition to that, we will also get a certain amount on the basis of the increased corporate income tax which the federal government will collect. It is difficult to get an exact figure on this because there are certain offsets -

MR. ROBERTS: The oil companies are pretty good at paying little tax.

DR. COLLINS: Yes.

MR. ROBERTS: (inaudible) write-offs.

DR. COLLINS: We contacted the federal Department of Finance and they are unable to predict with any exactitude what that will come to, so I cannot give a precise figure on that. But there certainly will be some positive impact on the Province's revenues from that aspect to.

Now the last point I should bring out is this, that that increase in revenue to the provincial Treasury on the basis of the normal equalization thing will not continue for every extra dollar increase because there is a certain cap; after a certain point of time a cap comes on.

MR. ROBERTS: If not, Ontario starts collecting equalization.

DR. COLLINS: When the revenue from resources reach one third the total equalization, the cap comes on and that will likely be reached when the increase in the cost of crude oil is an extra three or four dollars so that the maximum that we would likely get in

DR. COLLINS: the end result would be an additional, say \$15 million. We are unlikely, very unlikely, unless the formula is changed—and that might well be because it is up for review in 1982—but if it stays as is, it is unlikely that we would get more than a maximum \$15 million out of the ordinary equalization formula no matter what the price goes up to.

MR. ROBERTS: If the price goes up say \$4 the government of this Province will get an extra \$15 million.

DR. COLLINS: Right. Then if it goes up another \$10 we will still get our \$15 million.

MR. NEARY: Will that be used to offset the increase in electricity rates?

DR. COLLINS: That will be a matter of government policy.

MR. NEARY: I see. It will just go into general revenue.

MR. SPEAKER: (Simms) Order, please! The hon. Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, I have the answer here to question no. 28 on the Order Paper enquiring

MR. BARRY: about the money expended on the preparation of Newfoundland's offshore case. I might say it is purely coincidental but the draft factum just today has been completed and put to bed in the event it was ever needed for the carry on of that case. We do not expect it will be.

MR. NEARY: You will not be spending any -

MR. MORGAN: Unless the Liberals get in power in Ottawa.

MR. BARRY: I would also say that we probably would not have gotten the confirmation of ownership without the work that we have had done on this case.

MR. NEARY: Have we got to start counting the -

MR. SPEAKER (Simms): Order, please!

ORDERS OF THE DAY:

Motion, the hon. the Premier to introduce a bill, "An Act Respecting The Reorganization Of Certain Government Departments And Matters Related Or Incidental Thereto," carried. (Bill No. 65)

On motion, a bill, "An Act Respect The Reorganization Of Certain Government Departments And Matters Related Or Incidental Thereto," read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 2.

MR. SPEAKER: Does the hon. President mean motion 3?

MR. ROBERTS: Hold on now we had 2, yes 3.

Motion, the hon. Minister of Finance to introduce a bill, "An Act To Amend The Public Service (Pensions)Act," carried.(Bill No. 64).

On motion, a bill, "An Act To Amend The Public Service (Pensions) Act," read a first time, ordered read a second time on tomorrow. (Bill No. 64)

MR. MARSHALL: Order, 2, Bill No. 1.

MR. SPEAKER: Order 2, Bill No. 1, continuing debate second reading, "An Act To Reform The Law Respecting The Property Of Married Persons."

MR. SPEAKER (Simms): The hon. Minister of Justice. If the hon. minister speaks now he will close the debate.

MR. OTTENHEIMER: Mr. Speaker, I intend to go on briefly, through what I consider the more important reservations, criticisms, objections of various aspects of the bill. I think it is quite true that everybody in the House is in favour of the principle of the bill, there have been some reservations with respect to certain aspects of it and to review what appeared to be the more cogent or strongly felt of those.

The hon. member - and I will go in the order in which hon. members spoke - since I am no longer in the Chair I am not always familiar with the districts of the hon. members and I just name them down here by names rather than by districts.

Now the hon. member for Grand Bank (Mr. Thoms) raised a number of points and I will refer to certainly some of them there. The hon. gentleman did point out that the act could give an opportunity for some people to marry, divorce, marry, divorce and sort of pick up fifty per cent each time. I suppose there are obviously possibilities of these things happening. I do not think it is very probable. There is also a discretion under the court, section 20 of the act does give an area of judicial discretion and I suppose there is no piece of legislation which can plug every possible eventuality or protect people from their own lack of reflection. I think that would be impossible.

MR. SPEAKER: The hon. member for the Strait of Belle Isle.

MR. ROBERTS: I listened to the question, I do not disagree with his comment but I would simply ask him two things, first of all would he feel such conduct in his opinion was unconscionable because, of course, one has to discharge that burden and secondly, the minister says it is not possible to plug every loophole, He may wish to refer to a section that has to be commented on in the House of Assembly Members' Pension Act which says - the House of Assembly Pensions Act obviously provides for remainder over to the surviving

MR. ROBERTS: spouse, the widow or widower as the case may be, of a member, otherwise is entitled to receive the pension, but ... as an interesting clause that the spouses must have been married for I think it is six months, obviously put in to prevent the situation where one marries an MHA, or former MHA receiving a pension on his death bed, you know and go on. So the minister may want to comment on that in that light.

MR. SPEAKER (Simms): The hon. Minister of Justice.

MR. OTTENHEIMER: Actually on the second point raised by the hon. the gentleman, obviously there is a difference in the policy there and in this



Mr. Ottenheimer: particular Act. I would think that nobody's mind really focused on that House of Assembly particular provision.

MR. ROBERTS: I do not know why it is in the House of Assembly Act.

MR. OTTENHEIMER: No, actually, I think one should not formulate policy on top of one's head but I am inclined to think to be consistent with this Act that certainly a serious thought be given to a revision of the previous one.

MR. ROBERTS: Yes, why should we not be allowed to make death bed marriages.

MR. OTTENHEIMER: Right. And, you know, if the time factor of marriage is not the overall factor, in general, then certainly it should not be for only fifty-two citizens in the Province.

SOME HON. MEMBERS: Hear, hear!

AN HON. MEMBER: Well more than fifty.

MR. OTTENHEIMER: With respect to the first comment I think the hon. gentleman is quite right there, certainly such repeated activity could well be regarded as unconscionable.

Another matter the hon. gentleman -

MR. ROBERTS: I can name at least -

MR. OTTENHEIMER: - referred to - I am not quoting exactly-just a general idea of what he said-that the Act could encourage two people to live together rather than to marry. For example, one person has a lot of property and does not want to have to share it, then why get married? Of course, I would point out, and I am sure the hon. gentleman is aware, that partners may contract out and by their own domestic contract establish whatever economic relationship they wish to. So I certainly do not think that this legislation in any way encourages people to live together rather than in marriage. I would put it another way and would say that the legislation will or should impress upon people that they should give careful consideration to the economic aspects of marriage. Again I say what I said in introducing the bill, not that anybody is claiming that the economic aspects are the most

Mr. Ottenheimer: important aspects, certainly not the only ones, not the most important ones, but that, in fact, there are economic aspects and people should be aware of them.

The hon. gentleman also pointed out that according to Section 4 (1), suggested that if the matrimonial home is not occupied by both partners to the marriage on the commencement of the Act the house is not within the definition of a matrimonial home.

MR. ROBERTS: That is the point the Law Society brought up.

MR. OTTENHEIMER: And also related to that or at least, to me, it appears related to that - the hon. gentleman does not think that the Act gives due recognition to a situation where a partner has acquired property after separation, and acquires a lot of assets after a separation or a divorce. I think the only comment really I can make there is that all legislation when a new, if you wish, if one wishes, legal order is brought in, has to have a starting time and it has to have a cutoff time, and as a matter of policy, you know, the accumulation of matrimonial assets has to stop at sometime, and certainly it would appear that separation is a logical time, and that assets -

MR. ROBERTS: They are excluded then, are they not?

MR. OTTENHEIMER: Yes. Yes. And assets which one or the other former partners might acquire after separation, that really they should not be regarded as matrimonial assets.

The hon. gentleman pointed out that under the legislation a judge could divide the assets, but this may force an order to liquidate, and therefore there would be a fifty-fifty sharing of those assets. In other words, where liquidation was required. Of course, this is only where the two people do not agree. It is discretionary. And if liquidation might be regarded as unfortunate, certainly in this kind of a situation where there is not agreement it would appear certainly in most cases preferable to have a fifty-fifty sharing than a 100 per cent zero sharing.

The hon. gentleman pointed out that anybody in the Province who has a will already would now have to have the will

Mr. Ottenheimer: revised. And that would not, in my opinion, be the case. What Section 42 does, it states that people do not have to conform with the technicalities of The Wills Act with regard to an agreement under this bill, the domestic contract does not have to conform with the technicalities of The Wills Act.

And the final matter the hon. gentleman referred to, or at least the final matter he referred to which I keep referring to, pointed out the position of a minor, and that two people might have to hire a lawyer or make up a domestic contract or a marriage contract. I should point out that The Solemnization Of Marriage Act permits a person of sixteen to marry. And Section 36 of this Act permits someone of sixteen or older but under the age of majority to make a marriage contract or a separation agreement with the approval of the court. And by

MR. OTTENHEIMER: so doing then in answer to the next query, can a lawyer accept instructions from a minor. Certainly, the position there is that since the act entitles a person under the age maturity, gives him the capacity to contract in a sense of a domestic contract, it must naturally follow that they have the capacity to give instructions with respect to that contract and, of course, all of this is done with the approval of the courts and so since the court approval is there I think that is the area of protection.

The hon. member for LaPoile (Mr. S. Neary) mentioned what he thought is the necessity or the benefits to be derived from input from many sources and all I can say to that is that we have, in fact, had input and opinion from many sources. The hon. gentleman also referred to the educational programme and he was kind enough at that time to allow me to state briefly that we do plan a quite comprehensive educational programme and by that we are not meaning only the publicity given to the debate in the House but the use of radio, television, newspapers and preparation of, hopefully, a clear readable pamphlet or booklet explaining the main thrust of the act. So it certainly is planned that an ample time before this were to become operative July 1st, 1980, there would, in fact, be such an informational and educational programme.

The hon. gentleman from Mount Scio wondered whether we should not have a civil marriage ceremony.

MR. E. ROBERTS: No, St. John's North, I believe.

MR. OTTENHEIMER: St. John's North, sorry, yes.

AN HON. MEMBER: The Squire of Mount Scio.

MR. OTTENHEIMER: The Squire of Mount Scio, my friend tell me, but the member for St. John's North -

MR. E. ROBERTS: He has a connection with Mount Scio.

It is a very savoury one.

MR. OTTENHEIMER: - wondered if I understood him correctly whether civil marriage should not be mandatory, put forward the point that people would have a religious service if they so wished but that this

MR. OTTENHEIMER: would not be legally binding but be regarded as the moral aspect and a civil marriage - what you would really be doing there is saying you must have civil marriages.

MR. S. NEARY: And why should we?

MR. E. ROBERTS: (Inaudible) have to have a civil marriage.

MR. OTTENHEIMER: Yes. If people wish to have a church ceremony and that suffices, why should they really be required to go through additional, if one wishes, bureaucracy or why should the state really be the only one?

MR. E. ROBERTS: We provide the civil marriage as the alternative to people who cannot or for some reason do not wish to have a religious service.

MR. OTTENHEIMER: Yes. But certainly it is not the government's view that it should be mandatory. Hon. members are probably aware -

MR. E. ROBERTS: It is in France, I believe.

MR. OTTENHEIMER: Yes, I think and I think in a number of countries in Europe, for historical reasons, the old antics.

MR. E. ROBERTS: We have not had a revolution yet.

MR. OTTENHEIMER: So I really do not think that we will be moving in that direction.

The hon. member for Terra Nova (Mr. T. Lush) pointed out or asked the question, "Why not have equal ownership of a matrimonial home acquired only during the marriage?" In other words, that distinction there, which other hon. members mentioned as well. And really the only reply I can give there is that essentially this is a policy decision, and that is, that the matrimonial home is, if one wishes of such a nature so integral or important to the matrimonial situation that a policy has been decided that no matter how acquired or when acquired this special legal order of the matrimonial home would become immediately operative. And the same hon. gentleman for Terra Nova pointed out or asked why the matrimonial home would not be part of the matrimonial assets, assets in the deferred sharing concept and essentially the answer

MR. OTTENHEIMER: there is the same, that on a policy decision the matrimonial home has been given a, if one wishes to call it, privileged position, I suppose that is probably as accurate enough, as accurate a term as any - a privileged position distinct from the other matters.

The same gentleman also asked the general question, "Do Wills now all have to be made over again?" And the reply there is the same as I made with respect to a comment made by his colleague. And that is that the reference to the Wills Act in this legislation is to make it clear and precise that domestic contracts entered into do not have to follow the technical requirement of the Wills Act.

MR. E. ROBERTS: But the minister will agree that this act has the effect of changing every Will because it is changing the ownership of every piece of property owned by a married person.

MR. OTTENHEIMER: Yes.

MR. E. ROBERTS: Then every Will in Newfoundland should be reviewed?

MR. OTTENHEIMER: Well, put it this way, I do not think it is necessary that every Will be done over again but, obviously, it has an effect. One can only Will what one owns -

MR. E. ROBERTS: Yes, and one does not own -

MR. OTTENHEIMER: - the entire -

MR. E. ROBERTS: - a lot of men who think they own things or a lot of women possibly who think they own things will no longer own them once this act becomes effective.

MR. OTTENHEIMER: Yes, right. No dispute there.

MR. E. ROBERTS: And that ought to be widely realized.

MR. OTTENHEIMER: Yes, and that is a point which should be made fairly clear in any informational and educational programme.

MR. E. ROBERTS: It is not necessarily wrong. It is just simply a point that many people, I suspect, do not grasp that yet.

MR. OTTENHEIMER: Yes, we are certainly in agreement there.

MR. NEARY: (Inaudible) a set fee for lawyers for drawing up these Wills, say \$10 or something like that?

MR. OTTENHEIMER: It would not be for me to do. I do not think I have the authority to prescribe those fees.

MR. ROBERTS: Yes, the hon. gentleman would, or the House would.

MR. OTTENHEIMER: The House would. I think that would require a change in the Law Society Act, but we could certainly do that.

MR. NEARY: Bring the law on (inaudible) allowing the body of the union to advertise, let them advertise their fees.

MR. ROBERTS: Sure, they are all for it.

MR. OTTENHEIMER: Well, that may well be developing.

MR. ROBERTS: But no action taken against the gentleman who is advertising.

MR. NEARY: (Inaudible).

MR. OTTENHEIMER: Well, I will put it this way, I am thinking of watching the situation very, very closely. This situation may be developing now.

MR. ROBERTS: There has been no move made against the one member of the Law Society who is advertising. More power to him!

MR. OTTENHEIMER: If a thing happens organically or in a natural process, then probably there is no need for intervention.

MR. NEARY: (Inaudible) but a law saying that they can do it.

AN HON. MEMBER: Yes, right on.

MR. OTTENHEIMER: It is something that we will certainly watch.

AN HON. MEMBER: Good man!

MR. ROBERTS: Is the minister prepared to tell the bench if (inaudible).

MR. OTTENHEIMER: I think we are getting somewhat off the track. The hon. gentleman has a way of doing that. I am glad he does not run a railway station!

MR. STIRLING: The hon. gentleman (inaudible) good advice though, that everybody should examine their Wills as a result (inaudible).

MR. OTTENHEIMER: Certainly, that is true. There is no disputing that.

MR. ROBERTS: And he is not even a lawyer.

MR. OTTENHEIMER: The hon. the member for Bonavista North (Mr. Stirling) raised the general question, Does the act go far enough? Should there be an ongoing study of this in general? And on the second part of it, certainly, there should be an ongoing study. I guess all important legislation should be the object of such an ongoing study, and certainly, it is our intention that this will be as well.

Does the act go far enough? All I can say is some people will argue it goes too far; other people will argue it does not go far enough. And when you bring in what I call a legal reform, a law reform, a social reform, then obviously there are going to always be those two sides of the pendulum, and I think what the government has done is, on a policy matter has determined this. In the government's opinion, it is the best we can do right now.

Now, the general question of whether it goes too far or does not go far enough -

MR. ROBERTS: In any particular aspect?

MR. OTTENHEIMER: In general, I think. A number of hon. members may be (inaudible).

MR. ROBERTS: (Inaudible) they think it is the right way to go or they would not bring it in.

MR. OTTENHEIMER: Yes, sure.

The hon. gentleman from Bonavista North (Mr. Stirling) also brought up and referred to a very serious problem,



MR. OTTENHEIMER: and that is of hardships in marriages, family circumstances as the result of use of alcohol - wife beating and related areas - and said, I think quite properly so, that this legislation will not solve that problem. And, you know, I am certainly not minimizing the importance of that problem - and it will not because it is a different area - I am not minimizing the importance of the problem and the need for probably this House and for society to pay much more attention to those areas, but it is outside the ambit of this bill.

And then the final speaker, at least - I do not think the final speaker, but the final speaker who had reservations or suggestions for alteration or (inaudible) going to call them -

AN HON. MEMBER: If the hon. gentleman is talking about me (inaudible).

MR. OTTENHEIMER: The hon. gentleman from the Strait of Belle Isle (Mr. Roberts), and the hon. gentleman referred to the definition of a child in Section 21 (a) and the words used 'a settled intention' and pointed out that this might be vague, could cause a lot of litigation, suggested the possibility, at least, of a declaration being used.

We have had a look at this. Actually, here we have taken the terminology of the Ontario Act verbatim there and to the best of our knowledge, it has not caused any problems in Ontario.

AN HON. MEMBER: As yet.

MR. OTTENHEIMER: As yet.

The hon. gentleman pointed out with respect to the number of apartments which could be included in a matrimonial home and I do not mind saying this has been changed a couple of times during the past number of months, you know, whether it is one, two or three. And obviously, any number is arbitrary. As the situation now is, it would include up to three.

AN HON. MEMBER: Three houses?

MR. OTTENHEIMER: Three apartments in one dwelling. And the purpose - what is

MR. OTTENHEIMER: endeavoured to be accomplished  
is that if you were given a dwelling, let us  
say a family living on the main floor, there are a number perhaps  
with two basements apartments and then some with one apartment upstairs  
so then you get into three apartments, then you can go down to two  
apartments and go down to one apartment.

MR. ROBERTS: Why not some words that the  
primary purpose is the dwelling of the matrimonial home?

MR. OTTENHEIMER: I think under certain  
discretionary -

MR. ROBERTS: I think I could find better  
words than are in the act.

MR. OTTENHEIMER: As it is now, it includes a  
dwelling with up to three apartments.

MR. ROBERTS: That could include a  
commercial dwelling and that goes right against the principle.

MR. OTTENHEIMER: I think that that is precluded.  
I think the intention there is a dwelling in which the matrimonial  
couple live but which also has apartments. Obviously any number is  
arbitrary.

AN HON. MEMBER: (Inaudible)

MR. OTTENHEIMER: The hon. gentleman was of  
the opinion that the bill should not apply to a matrimonial acquired  
before marriage. And here I am sure the hon. gentleman knows what my  
reply will be and obviously there are arguments which have been put  
up to that effect. This is essentially again a policy decision and  
that is that the matrimonial home no matter how acquired or when  
acquired - sometimes, of course, a home could be acquired in contemplation  
of marriage or there could be a mortgage with it and then the married  
couple would help pay off the mortgage. And obviously there are cases  
where a person may purchase or inherit a home, get married and then  
it becomes a matrimonial home and perhaps after a short period they  
are no longer together and as this legislation reads no matter how  
acquired or when acquired.

MR. OTTENHEIMER:

The only answer there is that it is a policy decision. I think there are always going to be, certainly when one wishes radical change or a major change, a significant change in social legislation of this kind, there are always going to be inconveniences and then some of them real hardships. I think there will always be some hardships.

MR. ROBERTS:

It is a bad policy decision though.

MR. THOMS:

Can we not plug that loophole now before we pass this act?

MR. OTTENHEIMER:

I am sorry?

MR. THOMS:

Can we not plug that loophole now before we pass this act?

MR. OTTENHEIMER:

No. The policy is that the matrimonial home no matter when or how acquired becomes immediately an operative factor.

MR. ROBERTS:

(Inaudible)  
rectify this.

MR. OTTENHEIMER:

Yes. Yes.  
The other factor the hon. gentleman referred to was that in Section 20 the terms grossly unjust or unconscionable should be eliminated and the term reasonable put in. Obviously one can see strong arguments to that effect and again the only answer I can give there is that it is essentially a policy decision that there be a strong onus to upset that equal partnership, that the onus to do so be more than that it be unreasonable, but that the onus be that it be either grossly unjust or unconscionable. Perhaps section 2(2) of the Act might explain why this is the case, that section reads, "This Act shall be deemed to be remedial and shall receive such fair, large, and liberal construction and interpretation as best ensures the objects of the Act and its purposes as set forth in section 3." There is no need for me to read forward section 3 but the policy

November 15, 1979

Tape No. 1099

AH-3

MR. OTTENHEIMER:

decision there is in

this instance to lessen the courts discretion and to have a strong  
burden to burden to upset it. And obviously it is a much stronger burden-

MR. ROBERTS:

It is a bad policy but if the

government can insist they will have their way.

MR. OTTENHEIMER:

Now the final area or the final

MR. G. OTTENHEIMER:

major area there was with respect to specifying a limitation period. And certainly before the Act becomes operative - this is a matter which, I think, needs quite serious consideration because as far as the matrimonial home is involved, the Limitation of Actions Realty Act in a twenty year limitation would, in general, be operative. Now there is another time factor -

MR. E. ROBERTS: Is the minister suggesting that the twenty year period in this sense is reasonable and what happens in the case, which I suggest will happen from time to time, perhaps of a subsequent marriage. And then -  
Mr. Speaker,

MR. SPEAKER: (SIMMS) The hon. member for the Strait of Belle Isle, by leave.

MR. E. ROBERTS: It is a position surely that could quite conceivably happen is that a man and a woman become married to each other, there is a matrimonial home, that marriage is subsequently dissolved by process of law. And then one or both parties then becomes married again to a different spouse. Now each of the spouses have half of a half, so let us assume that Tim and Mary are married to each other and Tim and Mary go their separate ways, Mary owns half of the matrimonial home and Tim owns half of the matrimonial home, absent an agreement. Tim subsequently remarries to Jane so Jane has half of what? And at what point can Mary come in - can she wait nineteen years and then come in and say, 'Now, Tim and Jane have been getting along beautifully but I have decided to put the boots to Tim and Jane, here they have been living in that house all along and I am now going to apply for a declaration'. I mean I know it was twenty years, the twenty years is there, Surely a year or two is the only - there has to be an end. If the marriage is at an end surely there has to be an end to the property rights arising out of the fact of the marriage.

MR. G. OTTENHEIMER: I am not disputing that or I am not suggesting that it should, in fact, be twenty years. I am just saying that there are a number of time factors involved. And there is a situation, as well, whereby a court may award exclusive possession to the guardian of a child.

MR. E. ROBERTS:

MR. G. OTTENHEIMER: Yes. Another thing is that we realize that it is important that this be examined carefully and that is being done. I would not be in a position to say now what the time period should be, it is a matter which is being examined and obviously, will have to be clarified before the Act becomes operative.

MR. E. ROBERTS: Is the minister prepared to say that there will be, introduced into the Bill, the concept of a time period, whether it is one month or a hundred years?

MR. G. OTTENHEIMER: Yes, so that it will be clear and precise.

MR. E. ROBERTS: There has to come an end.

MR. OTTENHEIMER: Yes, certainly it cannot go on forever.

MR. E. ROBERTS: Well, that is one good decision.

MR. OTTENHEIMER: Well, now there is twenty (inaudible) (inaudible) at least when it comes from my hon. friends opposite. No, I did not mean that in the facetious manner in which it sounded either. So, Mr. Speaker, I think, that concludes my comments. Again I thank hon. members opposite and this side for their participation. It has been, I think, quite fully debated, there are legitimate areas of difference of opinion. I think, in general the principle is universally agreed to and some differences with respect to specific details. It has been a debate which, I think, has been among the best that I have seen in this House for quite some time in terms of the number of people participating and objective approach brought to it. It is not a partisan matter and then nobody, I

MR. G. OTTENHEIMER: believe has tried to make it that. And there is no doubt, it is a piece of legislation which will affect the lives of certainly the vast, vast majority of the people of this Province. I thank hon. members for their participation and I have the pleasure of moving second reading.

SOME HON. MEMBERS: Hear, hear!

Is it the pleasure of the House that the said Bill be now read a second time? Those in favour 'Aye', contrary 'Nay', carried.

On motion, a bill, "An Act To Reform The Law Respecting The Property Of Married Persons", read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 1)

Motion, second reading of a bill, "An Act To Amend, Revise and Consolidate The Law Relating To The Establishment And Administration Of Municipal Government In The Province".

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

SOME HON. MEMBERS: Hear, hear!

MR. N. WINDSOR: Mr. Speaker, let me say in opening that it is I think a distinct honour for me to have the opportunity to introduce this particular piece of legislation to the hon. House. It is a result of many years of hard work and many years of involvement personally on my part in municipal matters. Primarily this piece of legislation, I think, is a result of a lot of hard work on behalf of people in the department, persons associated with the Federation of Municipalities and others, of course, in the Department of Justice.

I would like to note in opening that this particular bill has a long background and it has been in some time in preparation. It is based primarily on the findings of the Royal Commission on Municipal Government in Newfoundland which was initiated in 1972 and a report tabled in 1974, the chairman of that commission being Professor Hugh Whelan of Memorial University. That report has become well known as the Whelan Royal Commission Report.

The study was an exhaustive examination of local government in the Province. It enquired into all aspect of local government, both administrative and financial. It made very distinct recommendations on various forms of local government structures that should be adopted here and various amendments to existing legislation that was required. I point out that there are a number of pieces of legislation now in effect in the Province dealing with municipal administration and that this proposed piece of legislation combines and consolidates, as the title indicates, a number of pieces of legislation into one document.

There was a committee resulting from the Royal Commission Report. The committee was established to draft this particular piece of legislation. Indeed that work has taken something in the order of a year or more. It is a fairly comprehensive document I think,



MR. N. WINDSOR: and hon. members I am sure will agree that there is a great deal of information in there and it obviously would take a great deal of time in putting that together.

The committee was comprised of representatives from the Department of Municipal Affairs and Housing, representatives of the Department of Justice, and as well a representative from the Federation of Municipalities.

I would like to thank the Federation for their co-operation over the past number of years in this regard in actually bringing this piece of legislation to the position that it is now in.

In that regard I would note that this being a fairly important piece of legislation, I would submit that it is indeed perhaps one of the most important pieces of legislation placed before this hon. House in this particular session in that it has very far reaching ramifications. It touches basically every Newfoundlander and Labradorian in our Province in that, at this point in time some eighty-five per cent of the people of this Province actually live in an incorporated community. The balance of fifteen per cent, of course, are scattered in various parts of our Province and some in towns and villages that are not incorporated yet have a closely knit structure, and this bill also makes provision, to a limited degree, of some services to these people. So as a result of that very few persons in Newfoundland actually will not be effected by this particular piece of legislation.

Just to discuss perhaps a few principles, as I mentioned earlier the bill itself hopefully is a more modern and understandable piece of legislation. We have at the moment quite a large number of pieces of legislation dealing with municipal government. This particular one forms a legal framework which will replace actually the Local Government Act, the Community Councils Act, the Local Government Elections Act, the Local Authority Control of Expenditures Act, the Local Government Receivorship Act, and as well, substantial portions of the Department of Municipal Affairs and Housing Act. In addition to that

MR. N. WINDSOR:

a number of other acts will require some minor amendments to bring them into line with this particular piece of legislation. To discuss briefly some of the major principles of the bill, **basically** it provides a whole new legal framework for the operation and financing of municipalities, delegates various powers to municipalities, establishes procedures for operating and provides the election procedures and so forth.

Mr. N. Windsor: It also provides a new policy in respect of incorporation of communities. I would point out in the beginning that the number of municipalities that will be incorporated, the number of different types of municipalities will be diminished somewhat. At the moment we have a large number of various forms of local government structures that are in place. This particular piece of legislation will reduce that greatly. The bill itself is written, hopefully, in fairly simple language, reducing the amount of legal language that is involved here, keeping in mind, Mr. Speaker, that we have, at any point in time, in our Province, serving our 309 municipalities, the number that are presently incorporated, in excess of 2,000 elected members of councils and boards and commissions, with the exception of the two cities, all of which are serving without any remuneration, and many of whom, of course, do not have any formal training for the type of work that they undertake in their elected position.

As well, of course, there would be a large number of municipal administrators, many of whom do have some formal training, and we have made some great steps in this regard over the past couple of years. Indeed we have made some steps in regard to training of councillors as well, in that we initiated just this year a new training programme for municipal councillors, which I might add, has been extremely well received and the attendances and the courses that we have put off to date have been extremely favourable.

Basically there are a number of - perhaps the most major changes made from existing legislation in the establishment - in the status of the various municipalities, the method in which their budgets are kept, submitted to the minister and so forth. I would like to go down through some of the major changes as they relate. First of all, as I mentioned earlier, there will be three prime forms of local government as a result of this particular piece of legislation. The main part of this municipal administration now would be the town council, the town council being very much similar to town councils as we now know them, and having much broader powers, and we will get into that in a few moments.

MR. N. WINDSOR:

The second form of local council would be the community council which is basically identical to the town council with one, small exception. And they have the same powers and authorities and responsibilities as a town council, one exception being the method of election, that being, that town councils will be elected by the normal process as we now know it, whereas community councils will be elected but elected at a public meeting of the community. And obviously this would relate to the smaller communities of some say, 200 or 300 or 400 persons whereby it would be economically unreasonable, I think, to require that community to go through the whole election procedure of the set up of ballot boxes and returning officers and so forth. So the community councils will be elected but just at a public meeting.

MR. JAMIESON: By ballot or show of hands? Will it have to be secret -

MR. N. WINDSOR: Procedures will be laid down in regulations as a schedule for the Act really.

MR. JAMIESON: Have you determined that the procedure must be a ballot or can it be a show of hands?

MR. N. WINDSOR: I am not entirely sure what procedure is set. I think it requires a ballot there at the public meeting, not a show of hands. I have not looked at that in detail but -

MR. JAMIESON: I think (inaudible).

MR. N. WINDSOR: - I would certainly agree that that would be appropriate. The main point being, Mr. Speaker, that no longer will there be appointed boards acting as councils in municipalities, that regardless of which of these two forms of local government is in place it will in fact be elected representation. So there will not be any more boards and the local improvement districts as we now know them with the board running the affairs of the community will disappear.

The third form of structure that will be put in place will be the local service district which I referred to in opening, relating to unincorporated communities. This would be

MR. N. WINDSOR:

incorporation of a committee very similiar to the ones we have now  
in place through the Water Services Division of the department for  
the provision of just very

MR. N. WINDSOR: specific services such as water supply or perhaps solid waste disposal or fire protection in accordance with the new programme that we announced several months ago for fire protection and the financing of fire fighting equipment through the Department of Municipal Affairs and Housing.

To look at some of the more specific items in this particular piece of legislation, the act is in seven sections.

I have a note from the Clark saying that community council is elected by secret ballot. That is fine.

The towns basically will be created by Order of the Lieutenant-Governor-in-Council. There is a slight change here from the present procedure. Formation of town councils will be as a result of feasibility studies. That is, proposing that rather than at the moment where petitions are required that the Province, or the department, the minister or the government cannot proceed without a petition signed by a majority of the residents of the community.

The new legislation is proposing that incorporations would be undertaken by the Province as a result of feasibility studies undertaken to determine the actual feasibility, the financial viability and otherwise of forming a community. As part of that exercise would be a mandatory public hearing process so that all persons who have an interest in doing so will have every opportunity to have an input into a public hearing to say what form of government, what form of council or otherwise would be in place in their particular community.

Similarly, by the same process of feasibility studies, the Province would have the power to amalgamate towns or communities and to annex areas to towns and change boundaries and otherwise or to disestablish a town council.

Basically, town councils will still consist of five but not more than ten persons as designated by the

MR. N. WINDSOR: Lieutenant-Governor-in-Council, who will serve, as they now do, for a period of four years. There is, however, provision for appointment of councillors in the initial stages and this would become necessary, particularly in the case of an industrial town being created as a result of some particular industry. I just use, for example, perhaps, the case of a Labrador city being established basically as a company town being built by the company. It may well be desirable to have some form of local government in place to oversee and provide input from the general public as to how that community should be developed. So for a very interim basis only, it is possible to appoint a town council for an initial period to oversee the establishment of a town.

New provisions in the act provide for statutory duties and responsibilities of senior council employees. New provisions permit councils to participate financially in staff training of municipal employees, either on their own or in co-operation with other municipalities.

One major change in this particular piece of legislation, Mr. Speaker, perhaps the most important aspect of this whole bill, is that it provides a far greater level of local government autonomy. It gives much more authority to the local council. One prime example of that is the fact that the budget of the municipality will no longer require the approval of a minister. This has been a sore point, I guess, perhaps for a number of years in many municipalities, in that they have to submit their budget to the minister for approval and cannot incur any expenditures without ministerial approval.

At the moment, in fact, the councils are required to submit two budgets, one for general matters and one for utility.

The proposal in this new legislation is that there would be, in fact, one budget - both combined - water and sewer and other utilities combined with the general accounts of the

MR. N. WINDSOR: municipality so that the town now will have the authority on its own to draw up its own budget, to decide where expenditures should be made in the community, what expenditures should be, what the priorities of the community are and to actually approve that budget themselves and operate within it. They will be, of course, required to submit it to the minister for information



MR. N. WINDSOR: purposes for review by the department.

There is, however, a very ample provision that where a council exceeds its budget in any financial year, that the minister may require in subsequent years that the budget be submitted for his approval. This is to, basically, deal with a situation where a council draws up a budget at the beginning of the year and does not stay within it and at the end of the year has a financial deficit. Obviously, there must be some control to preclude that sort of a situation and so in the first instance it is possible for the minister to order that for the subsequent year or as long as he feels necessary, the minister may require that the budget be submitted for his approval.

The Act provides that audits will be completed on each municipality in each year. And this is not a departure from present, we have initiated just this year, in fact, a requirement that all municipalities would have their accounts audited annually. A number of members and members opposite have indicated their concern that a number of town councils have gone for many years without proper auditing of their accounts. That situation has been corrected this year and the Auditor-General has identified those municipalities that he is in a position to audit, the balance of them have been doled out or farmed out to auditing firms, chartered accountants, in the Province and we will now have audited statements for each municipality each year.

Another new provision in the Act which I think is fairly significant and which will reduce greatly the amount of, again, dependance on the department and on a ministerial approval is a provision whereby a municipality will be permitted to borrow up to 20 per cent of its projected annual budget in any particular financial year on an interim basis. We have a whole host of requests almost daily from municipalities requesting approval to borrow small amounts of money pending receipt of municipal taxes, pending receipt of grants from the federal government or other agencies who may be providing funding for capital

MR. N. WINDSOR: works and so forth. This new Act now then will provide that a municipality can, on its own accord, borrow up to 20 per cent of its total annual revenues, total estimated tax yield for any financial year. This, again, gives them much greater authority to make decisions that are basically quite rudimentary at the local level. Borrowing for capital purposes, of course, will still require the approval of the minister since, obviously, the Province will have to provide certain guarantees. This, of course, is quite similar to the present system as it exists.

There shall be, in accordance with the Municipal Grants Act, which was approved by this hon. House two years ago in which the government has indicated shall be proclaimed in the near future and will come into effect in 1980, there shall be established a Municipal Capital Project Board. Hopefully this board will provide to the department and as well, I guess, to the municipalities a five year forecast of anticipated capital expenditures. In that regard we will be requiring municipalities to submit to the department a list of the projected capital expenditures for the next five years which then, of course, would be incorporated into a five year capital programme from the department. This allows a number of things. First of all it allows a municipality to, unknowing in advance when funding might become available for a particular project, it will provide them the opportunity of making ample financial provision in their budget for any year and subsequent years for capital financing and for the repayment of any debts incurred as a result of capital works. It provides, as well, the department an opportunity to do five year capital planning as it relates to financing of capital works in municipalities. Perhaps even more significantly it provides the opportunity for the department to get engineering work done in advance and to call contracts in fact, in advance and it provides, therefore, a great deal of flexibility and makes possible

MR. N. WINDSOR: for engineering firms and for contractors to have an idea of what the level of expenditures might be for the coming years and therefore to spread out the amount of work over the couple of years. We have had complaints almost on a continual basis from consulting firms and from the construction business in relation to the peaks and valleys that occur as it relates to calling of tenders and awarding of contracts. I might add that just very recently the Cabinet has approved the awarding of a number of engineering works for this year so that we will, by early Spring, be in a position, providing funding is made available by the House, to award contracts quite early next year for some capital works providing funding, as I said, is made available for these particular works by the House of Assembly.

The taxation system in the municipality will be revised somewhat, in that we will be doing away with what we consider, basically as a number of nuisance taxes, such as the stock tax, hawkers and peddlers tax, fuel tax amusement taxes and vehicle taxes and so forth. Basically, the main means of raising local revenue will be the real property tax, which will be given increased emphasis, business tax, water and sewer tax and a Poll tax which basically is the same as the present service fee, together with local improvement assessments and special service levies to cover full or partial cost of capital works.

The awarding of tenders by municipalities will not be - councils will be inviting tenders to award contracts or to undertake any works to be financed out of funding advanced or guaranteed by the Province. In other words, in order not to invite tenders ministerial approval will be required so that we can ensure that the awarding of tenders by municipalities is basically in accordance with the policies of the Province and the Public Tender Act.

MR. N. WINDSOR: As a basis of the raising of local revenues for a municipality, the Act provides that where a community is serviced, and by 'serviced' we mean serviced with a water and sewer system or at least 50 per cent of the community serviced by either water and/or sewer, we will require that the property tax system be adopted by the municipality as a basic form of raising local revenues.

The reason for that, quite frankly, Mr. Speaker, is that we feel that a municipality that is going to have to provide these services which are obviously quite expensive, obviously must be prepared to bear a portion of the cost of these services. In many cases it will be impossible and we do not expect particular municipalities to bear the total cost of providing these services. However, we do feel that it is reasonable to expect those who receive these services to bear a portion of the cost, therefore, we are making provision in the Act that where these services are put in place, that the property tax system which provides a much more equitable, a much more stable form of raising local revenues will be put in place.

This ties in very well, in fact, with the new Municipal Grants Act which provides incentives for the adoption of the property tax system and, in fact, provides a special grant for municipalities that do have property tax in place. So from that point of view the Province will be assisting, to an extra degree, municipalities that have adopted this particular form of local revenue raising.

There will be some revision to the classes of real properties that are exempt from taxes at the moment. There are quite a large number of properties that are exempted by statute and many municipalities have objected to the fact that they are losing revenues from these properties and have to provide services to them. These properties, therefore, of course, impose quite a financial burden on the community.

MR. N. WINDSOR: Basically, the number now will be restricted, will be limited. However, the municipality has the authority to include others, as they see fit, within the community.

There will be some provision in this particular piece of legislation for partial exemptions, perhaps, of the service fee, of the poll tax as it now will be called, as it relates to persons on old age pensions. There has been quite a bit of controversy over the past number of months as it relates to exempting senior citizens or reducing their level of taxation. Basically, what this proposed Bill says is that, 'For the purpose of calculating income, as it relates to the paying of the service fee or the poll tax, that the old age pension will not be considered as income.' So to that end any person who receives only the old age pension, obviously, would not be liable for the service fee. Previously, the Act provided that basically all males were liable for the service fee and that any female earning in excess of \$600 per annum would also be liable. The effect of that was, and we had a petition presented here not too long ago by a hon. gentleman opposite, that when two persons or a couple became the age of sixty-five years old, the wife now had an income for the first time in her life, the income being her old age pension and that, therefore, now having an income she became liable for the first time in her life to paying the service fee. And, so we have made that provision there and, as well, it is possible to provide, with approval, exemptions for other similiar classes of persons on fixed incomes, such as those on D.V.A. pensions, widows and so forth.

The Act removes one difficulty that was in there in the existing legislation, which provided for imprisonment for non-payment of fines levied by the municipality, in other words, failure to pay municipal taxes. We do not feel that persons who should be indebted to a municipality

MR. WINDSOR:

should be put in prison. There are other provisions there for action to be taken by the municipality so, basically, that anomaly would be removed and corrected by this new piece of legislation. The act provides for the establishment and operation of normal municipal services similar to existing legislation so that municipalities would have the authority to operate utilities such as water and sewer services, solid waste disposal systems, to do road construction and maintenance, and provide fire protection and exercise certain controls and so forth. There is a new provision in the act providing for the establishment of heritage areas and appointment of heritage advisory committees, similar to those powers already vested under the City of St. John's Act. The second form of a municipality, as I mentioned, Mr. Speaker, would be the community. Community councils would basically have the same authority, would be established in the same manner as town councils, they would exercise basically the same authorities, with the one exception being that they were elected at a public meeting. Part three of the act deals with the establishment of regions-for the provision of services on a regional basis

AN HON. MEMBER:

Hear, hear:

AN HON. MEMBER:

No wonder (inaudible)

MR. WINDSOR:

I have one supporter at least.

Basically, Mr. Speaker, this provides that where it appears advisable to establish a form of regional council, or regional structure to operate a regional facility, then the act is enabling legislation. The act does not establish any regional councils anywhere in the Province but it does enable the establishment of these regional councils. I would like to just expand on what we mean by that, just a little bit, because I am concerned that perhaps this might be confused with the rather

MR. WINDSOR: sophisticated level of regional government that was proposed for the St. John's area by my colleague, previously. In fact, we do already have, as Your Honour knows full well, various forms of regional governments in one sense or another, in the Province. One area is, in fact, in Central Newfoundland, in the area represented by Your Honour, in Grand Falls, where we do, in fact, have a regional water supply in place now being shared by Grand Falls and Bishop's Falls and Windsor. These three municipalities, on their own volition, have formed together and established a committee which is now operating and maintaining this particular water supply system, and which they share, I think, on a per capita basis, the cost of such operation. That is, in fact, a regional council. It is a regional government in a very simple sense, but this is what we mean by regional council. Now it may be that in an area such as St. John's, and we still believe, I think, this to be the case, that there needs to be a more sophisticated level of regional government simply because of the number of services that could be, and should be, perhaps, provided on a regional basis. And the act provides for a great deal of flexibility in that. And, again, regional councils would be established based on feasibility studies which must include public hearings. It provides for the election of members to regional councils, and the election, from among the members elected on the regional council, the election of a chairman from among those members. One difference in a regional council and a town council, as it relates to the relationship with the department, is that budgets of regional councils must be submitted to the minister for approval, the reason for that being that, obviously, at least a portion of the cost of operating that regional council will be borne by the Province, and that we have in the Municipal Grants Act, provision for a regional incentive grant which helps cover part of the cost of the administration

November 15, 1979

Tape 1106

MB - 2

MR. WINDSOR: of such a structure. The regional council will have similar authorities to town councils in that they may borrow up to twenty percent of the estimated tax yield in any one year, on an interim basis, capital works or whatever



MR. N. WINDSOR:

pending the receipt of other funding.

Similar to a town council, regional councils will be expected to submit annually to Capital Projects Board a five year forecast of anticipated capital projects.

In unincorporated areas within the region and subject to the approval of the Lieutenant-Governor-in-Council, regional councils may exercise all the powers and authorities of a town council that they would exercise in incorporated areas.

Part four of the act relates to general matters relating to the administration of municipalities, empowers councils to remunerate councillors, such amounts as set out by regulation. Present legislation does provide for payment to councillors; however, it has not been the policy of the Province in the past to agree to the amounts as required by the act. This new legislation provides that councillors can be paid a salary in such amounts as set out by regulations to be established by the Province. Basically, what we are saying is that whereas a municipality now has the authority to set its own budget, to decide the level of servicing that will be provided to the municipality, to decide, therefore, knowing the amount of revenue that will be coming to the municipality from the Province, from the provincial government by way of the formulas derived under the Municipal Grants Act. Therefore, they will know how much funding is available to them and the level of taxation that will be required to provide this level of funding. And we are saying that in accordance with that and in the knowledge of that, then within regulations which will be set out in relation to the size and the revenues of the municipality and so forth, they can provide for some remuneration to themselves.

As I mentioned in my opening remarks, we have something in excess of 2,000 such persons serving in this Province without any remuneration, with the exception of the two cities.

Conflict of interest provisions are quite noticeable in the act as it relates to the rights of councillors to participate in discussions and to vote in council meetings, basically

MR. N. WINDSOR: provisions now existing under existing conflict of interest legislation. Basically, these provisions will be very, very similar to these.

As I mentioned earlier in my opening remarks, public tendering will be required for municipalities and they will be expected to operate under the same or very similar provisions to the Province, under the Public Tendering Act.

The act provides the power to declare an emergency in the case of a disaster of any kind, a snowstorm or a flood or an acute water shortage, and we had examples of some of these matters over the past couple of years. This act now provides to the council similar powers now existing under the City of St. John's Act, actually, to declare a state of emergency and to take any action that they deem necessary under these conditions.

Similar provisions will exist, as they now do, for penalties for violations of acts and regulations, for the expropriation of property for municipal purposes with the approval of the minister, for the appointment of an administrator by the minister.

In the case where a council exceeds its budget greatly in any one year and get themselves into serious financial difficulty, as I mentioned earlier, it is possible then for the minister to insist that the budget of the community for the next year and subsequent years if necessary, be submitted to the minister for prior approval. If that fails to work, if more drastic action is required, then there is ample provision in the act, even though the act is giving much greater autonomy to the municipalities, giving them much more control over expenditures, over the raising of funds and the dispersal of funds, it also provides ample provision to withdraw these powers where

MR. N. WINDSOR: the province deems it absolutely necessary. It provides for the disbanding of a municipality and appointment of a receiver by the Lieutenant-Governor in Council, where that is deemed absolutely necessary. Basically, election procedures are similar to existing procedures. However, there is now new provisions for rules of residency and also provides for proxy voting and for advance polls, which has been a problem in some elections in the past. Part six of the act deals with the local service districts, gives the minister authority to create local service districts to provide, as I mentioned earlier, specific services. These are very similar to local service committees, now established under our water service committee, whereby this committee can be given some financial assistance, can be duly incorporated by the department, authorized to provide a very specific service. They do not have the responsibilities or the authorities of the town council, or the community council, they are established for a specific purpose and for that purpose only. But it does make it possible for the Province, through the department, to provide at least a level-up service to communities which are not incorporated and which, perhaps, it might not be in their best interest to provide them with full municipal status and to burden them with the responsibilities thereunder. They will be authorized to levy charges to cover operation, maintenance and eventual replacement cost, including any debt retirement of the service that is provided by that committee. Annual budgets of such committees will, of course, be required to be submitted for ministerial approval. They can, for the first time, borrow funding for capital expenditures. At the moment there is no provision in the act for the committees that we now have to borrow such funds, but we recognize that it may not always be possible for them, particularly in the case of replacement cost, to raise the funding prior to the need of providing a particular service without borrowing. This new act now makes it possible for such committees to borrow, with the approval of the minister, funds for capital expenditures and therefore to retire the debt by way of a levy for service. Regulations can be drafted by the department for the election of these local service committees. These regulations will prescribe the tenure of office and the powers that are

MR. N. WINDSOR:

authorized to the committees.

Basically, Mr. Speaker, these are the major provisions of the legislation as it relates to the various components of it. As I pointed out earlier the document, itself, is written, hopefully in a layman's language so to speak, so that the average person, including myself, can understand the terminology in it, keeping in mind, as I mentioned, that some two thousand persons, two thousand elected persons and perhaps another two thousand officials or more, in the Province, are dealing with this particular piece of legislation almost on a daily basis. Hopefully, this piece of legislation is written in such a form that it is possible for these people to interpret it without undue reference to legal authorities for interpretation. It, for the first time, provides an ample index which makes it easier for persons using the act to find a particular section or to refer to a particular problem, that they may have come across. I think it is a fairly comprehensive piece of legislation, Mr. Speaker, in that it amalgamates a number of pieces of legislation, modernizes it, updates it. It eliminates numerous problems which have been brought to the attention of the department over the years by municipalities, by hon. members in this House of Assembly, problems that have not entirely been dealt with. I think it has to be looked at in an overall sense, with a whole new direction in local government in this Province. I think this, in fact, signals the beginning of a

MR. N. WINDSOR:

era in local government in the Province. You must consider some of the provisions in this Act with the new provisions of the Municipal Grants Act which I mentioned earlier with new policies that we enunciated some time ago, as it relates to the provision of capital grants in the Province. Tying all of these things together I think that it provides a basis under which municipalities can have a great deal more autonomy in regulating their local affairs, in providing services to the municipalities they serve and in deciding the level of servicing indeed that must be provided to these municipalities. It gives them the opportunity to decide on their own budget, to decide what services will be provided and to decide, therefore, the level of taxation that will be imposed on persons resident in their various communities. All in all, I think it will lead to a much better relationship both between the taxpayer of the community and his elected council and between the elected council and the department. It is a result of, as I mentioned, quite a great deal of work on behalf of not only officials but, as well, councils and councillors and particularly members of the Federation Executive over the past number of years and I think it is a fairly progressive piece of legislation which will serve municipalities in this Province well over the coming years.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (SIMMS):

Order, please!

Before I recognize the hon. member for Bonavista North, although it is not quite five o'clock, rather than have to interrupt the hon. member a little later I can inform the House now that I have received notice of two matters for debate at five-thirty when a motion to adjourn will be deemed to be before the House. Notice given by the hon. member for LaPoile (Mr. Neary) arising out of a question asked the hon. the Premier and the subject matter is fishery policy, suspension of the Fishery Loan Board. And the other matter also raised by the hon. member for LaPoile (Mr. Neary) arising out of a question asked the hon. the Premier, and the subject matter is increases in electricity rates and profits of Newfoundland Light and Power.

MR. SPEAKER (SIMMS): The hon. member for Bonavista North.

MR. STIRLING: Thank you, Mr. Speaker. Like my colleague on the other side I, too, have been involved with this legislation going back to its first days when I was a member of the City Council of the City of St. John's and was a member of the Federation of Municipalities. It is, as he says, a very complex piece of legislation. It does bring together and consolidate many of the acts. And it certainly moves in the direction that councils and those involved with councils have suggested over many years. It was based on the Royal Commission on Municipal Government. However, before bringing it to this stage there are still a few indications of the lack of respect or trust for the ability of councillors and the people in their districts, in their areas, to act in a responsible manner.

For example, today this Act is being introduced to the House of Assembly while tomorrow the minister has a meeting with the Federation of Municipalities, the Executive of the Federation, to discuss this Act. It really would not have taken that much extra cause or concern with everything else that we have on the Order Paper to postpone the introduction of this piece of legislation until they had at least the courtesy given to the Federation of Municipalities to have their meeting with them tomorrow to hear their comments or concerns and to reflect those comments and concerns by the minister in introducing this major piece of legislation. Just a little hang over from the fact that provinces have always considered municipalities not only of any particular political strife, the provinces have always considered municipalities the creatures of the Province. And you will notice there is nothing

MR. STIPLING:

in this new legislation that indicates if the Province is going to give us any of that control over the municipalities right to go to the federal government on any matter. There was a great to-do about that the same days when the now minister was a town engineer in Mount Pearl when I was involved with the City Council. There was a great discussion about tri-level meetings and tri-level involvement and tri-level discussion and that there should be some move to get away from this feeling that the municipality was just a creature simply because 100 years ago when the constitution was devised there was no provision made in the constitution for municipalities. Even though some municipalities in Canada are larger than some provinces in Canada, there is no provision that recognizes a municipality by legal right. Therefore, it has put municipalities and cities and towns and community councils always in the position of coming cap in hand to a province saying, Please, sir, can we do this and please can we do this, that or the other thing.

It is natural that local communities and local groups should be allowed to deal with the federal government in areas where money is being spent in the local area. There has grown up development associations. Just about any kind of organization other than a municipality can go directly to the federal government but not a municipality, no matter how well informed, no matter how expert. And in this new legislation, the government has not gone that extra step by saying, we have enough respect for municipalities to grant them certain areas where they can go directly for certain funds to the federal government.

There is - and I am glad that the minister mentioned it - there is a companion piece to this piece of legislation and it is, as the minister has already said, the Act which was passed some two years ago, the Municipal Grant System. I think that we should let those municipalities know honestly, straightforwardly, up front, that there is no Santa Claus in these two acts. Although in reading the comments of the minister at the Federation of Municipalities the impression is given that if you guys do what we want, which is put in property tax, we are going to match you dollar for dollar or something

MR. STIRLING:

a little bit less than that, we are going to have a system of grants so that you good guys who have the property tax, you are going to get the tax incentive and let the municipalities go away rubbing their hands thinking, boy oh boy, if this Act can only come in are we ever going to be in great shape.

The City of Corner Brook had a petition the other day screaming about the taxes. The City of Corner Brook is under the impression as many municipalities may be - maybe they are not, maybe they clearly understand it. But the two acts go together as the minister says and in this Act they said, Put in property tax. We are going to force property tax down the throats of people in Newfoundland whether you want it or not. Property tax is going to be forced down your throats. And the little carrot is in the Act that was already passed. The carrot is in the Act that says, If you have a property tax there is going to be a tax incentive grant only available to you. Now let us look at what is really behind the concept, the facts of life as they are and whichever government brought in this, it would be saying the same thing. There are many parts of Newfoundland, many small communities in Newfoundland represented by people here that cannot afford a property tax simply because they do not have the tax base. What is the point of going to a community with 200 or 300 or 400 or 500 people in it where there is no business, there is no Bowaters, there is no government offices, there are essentially people who live in that community and they are now collecting whatever fees they think they can collect, what is magical about bringing in the property tax? I think what we are going to see in this property tax enforcement - and we might just as well be honest with all these smaller municipalities



MR. L. STIPLING: and let them know the truth. Let them know the truth that there is no Santa Claus in this, that this concept is a concept to try to get people living in municipalities and within boundaries of small communities to recognize that they have to pay for their water and sewer services themselves, and that there is not going to be any new capital grant from 1980 forward. There are not going to be any unless you have property taxes in force, there are not going to be any more water and sewer projects unless you have property tax in force. And what the minister has said, and you might as well say it to the people honestly, truthfully, up front, what we are doing is we are transferring part of that burden from the provincial responsibility to the responsibility of the small town council or community council to collect it. That is what this act is really all about. And I have talked to some of the people involved in it and the minister knows that any of us who were involved with municipal council, talking to any level of civil servant, that there was a feeling that politicians forced through many incorporations. And the member for Mount Scio (Mr. L. Barry), if he were here, would know that the municipality of Portugal Cove and St. Philips was held up for years and years and years because the thinking of the civil service was that these communities should only exist as part of an urban region in St. John's. And there are many places in Newfoundland today where, in the thinking of some of the civil servants, there should not be a community council or a town council or a water and sewer project because there is not enough money there to pay the cost of operating the system. There is already a property tax in the major towns and cities, the Trans-Canada Highway towns. You can start here in St. John's and go Stephenville, Corner Brook, wherever you go, Gander, all of these places have their property taxes. In many, many other places in Newfoundland, in small communities, you are now subsidizing them to the tune of 90 - 95 per cent of the provincial Treasury. And those people, as a question of philosophy, this government has decided that those people can not be subsidized any more. They must pay their own way whether they have the tax base to do it or not. That is really what is behind the

MR. H. WINDSOR: legislation; what is really behind the legislation is to say, "Let us stop forming any more communities; let us do feasibility studies." One time you could take up a petition and if the majority of the people wanted something, the majority of the people got what they wanted. We use to call that democracy. We are not going to do that any more. We are going to do a feasibility study. And if it is deemed by a feasibility study that the group of people here really can not afford to live here, we get back to the very question of the philosophy of the things that the Premier likes to talk about in theory, but when you get down to the practice he has got a problem with it. He talks about preserving our Newfoundland way of life and our community. Well, why do you think we got the way we got? It is because people want to live near where it is good to fish, and that may mean living near rocks and bog and property that you can not run water and sewer services through.

In this act, are we going to say if a feasibility study says if you can not have a waterline run through that territory, then these people can not get a water line? If you can not get water in that area, or sewer services, are you going to say that we are now in for a period of moving people or you are going to stay there and you are not entitled to any services? You are getting down to some very fundamental questions with this act. But we should admit, the government should admit that the basic feeling that a lot of municipalities have, because I have talked to some of them, is that there is going to be a day starting in April of 1980 when, starting in Stephenville, the people who have got a good property tax set up, and in Corner Brook, these people are suddenly going to get grants like they have never had before. They have had money, but it is going to be coming out of their ears. Well, if that money is going to be paid to anybody that has a property tax, if Grand Falls and Corner Brook and Stephenville and these communities are given the false expectation that suddenly there is going to be a lot of money paid under the tax grant incentive system, where is it going to come from? And we are back to that same old problem, the problem

MR. STIRLING: we talked about in the matrimonial act that there is no point in bringing in legislation unless you bring in the money with it, no point in bringing in legislation unless you bring the money to say to these smaller communities - and I am sure the minister has now worked out, and I am going to ask the minister if he will table while this discussion is taking place, not today but whenever he gets around to it so we can actually take a look at it. I know that in the years, as he says, in the preparation by all these various committees, the minister has taken every community in Newfoundland and he has looked at the income they are going to get from the old system, and the income that they will get from the new system if they do put in the property tax and if they do not put in the property tax: I know all that has been worked out.

So, based on those assumptions, I would like to ask the minister if he will table these things, because as of this moment - he has not had the meeting with the Federation of Municipalities - he has not sent out a copy of the act to all the municipalities in Newfoundland. All the municipalities that we represent have not received from the minister a copy of the act. I notice my colleague from Stephenville (Mr. Stagg) says he sent his out. I have sent mine out. But they have not had time before this discussion - it gets back to that lack of respect for these councillors in the small communities. If we had enough respect for them we would have sent all of this out to them, allowed them a week or two - I mean, we are going to be sitting until Christmas, I understand; we have lots more on the agenda - we could have sent this out to the municipalities and said, 'How does this affect your municipality? Give us some feedback.' But there is no respect shown for the municipality. The meeting is tomorrow with the Federation and you are introducing it today. They are going to come tomorrow and what are they going to say? The minister is not going to be given the opportunity to bring their views when he introduces the legislation. The individual municipalities today, unless the members have taken copies and sent them out - and there were not

MR. STIRLING: enough copies, by the way, when they were first requested.

AN HON. MEMBER: Why did you not make some?

MR. STIRLING: I do not make copies. There were not enough copies.

AN HON. MEMBER: (Inaudible).

MR. STIRLING: Well, that is a question of philosophy, again.

MR. NEARY: Get back to your seat if you want to say something.

MR. STIRLING: Get back to the question of philosophy. I believe that the minister should have sent a copy to each municipality, if we really have the kind of respect that he is talking about, should have sent them out to the municipalities and said, 'May we have your comments in time to bring them into the House of Assembly?'

The Minister of Justice (Mr. Ottenheimer) just said, in dealing with the last act, the Matrimonial Property Act, that it is the best debate he has seen in the House, and at the end of it, he is not going to do anything. So maybe the minister recognizes that, 'Well, I am not going to listen to the Opposition, I am not going to listen to the municipalities, so why bother sending them all this material and put them to the trouble of making comments. I might just as well force it through.' And that is the attitude of - well, explain that to them tomorrow.

So the basic part of this whole concept of the property tax and the municipal grant system have to be looked at together. I think that the minister owes it to this House to bring into the House the working papers, the projections, the kinds of formula that he is talking about for municipalities. Because although we do a great job of saying we are going to pass over all the budgeting - municipalities are going to make up their own budgets, they are going to be their own housekeepers - in the next breath we say, 'Of course, you are going to get your capital grants, and any capital projects all have

MR. STIRLING: to be submitted, and we have not quite worked out the formula but we are going to decide at the Cabinet level just what each municipality should be paying in the way of property tax, how much of their water and sewer projects they are going to have to pay back' - and you may get something happening in one and something else happening in another. But it really is misleading to let municipalities who have a property tax feel that they are going to get a great windfall from the combination of these two acts.

The city of St. John's has not been mentioned here except that the elections are to be on the same basis.

AN HON. MEMBER: (Inaudible).

MR. STIRLING: No. The City of St. John's, so has the City of Corner Brook. And so in this Act I believe the minister should tell us, because it is written so that it can accommodate the City of St. John's and the City of Corner Brook, I think the minister should tell us when the City of Corner Brook or the City of St. John's will be brought into this Act or, alternatively, if they feel there is never any need any time in the future to do that, will he set out for us what the differences are in this Act between this and the City of St. John's Act to let the people throughout the rest of Newfoundland know what it is that he thinks is so different that he will never consider bringing St. John's into this Act and not just that the eleven seats right now are represented largely by ministers. Well, that is the only kind that you can have right now, I guess.

MR. STAGG: ETD.

MR. STIRLING: Mr. Speaker -

MR. STAGG: (Inaudible).

MR. STIRLING: Mr. Speaker, that is really the crux of the matter that this government has to come to grips with. There has been no indication, and the minister has been very careful not to indicate, where additional money is going to come from because if he is going to give the City of St. John's - presumably the City of St. John's qualifies for the tax incentives, and the City of Corner Brook qualifies for tax incentives - if they suddenly get a big surplus and there is no additional funding put in, there is no additional funding, where is it going to come from? There is only one place for it to come from, and that is to dig it out of the small community. It has got to come out of the small communities by forcing them into property tax and saying to them, "Regardless of what you want, if you want to get the balance of these services or to continue with these services or to expand on these services, you must have a property tax." And if these places do not have a broad enough tax base, how are they

MR. STIRLING:

going to develop any extra money? Now there is very good reason why these small communities do not now have a property tax. Many of the parts of Newfoundland now have a property tax, and there is very good reason why these small communities do not have a property tax because they can see no advantage in having a property tax. They can see no point in just taking the same 200 people or 300 people and socking it to them because there is no additional money available.

MR. STAGG:

Nonsense.

MR. STIRLING:

But you do admit it. He keeps moving around. I am glad you do so I can see you from different parts of the room.

SOME HON. MEMBERS:

Oh, oh!

MR. STIRLING:

Mr. Speaker, the comments from the members on the opposite side are proof, really, that the real purpose of this Act is to dig out the money from the people who can pay in these smaller communities and that there is no Santa Claus, and that the purpose of the Act is really to transfer back to the communities - and the member mentioning it, of course, is a former councillor and a former member of the Federation of Municipalities. I think that a consolidation was needed. But let us not look at all the sugar-coating. I read the speech that the minister gave to the Federation of Municipalities and the impression is given that there is a great new day dawning, there is going to be lots of money for everything, there are grants that you never received before. But the truth of the matter is what we are doing here is we are finding a new way of distributing. That is all that we are doing. And I hope the minister will tell us that there is extra money in the budget, because if there is no extra money in the budget, all that you are doing with property tax, all that you are doing with forcing this, if you are going to bring out these incentive grants, is that you are redistributing it so that the small communities throughout Newfoundland will end up subsidizing the larger communities. And that is exactly what is going to happen if you take a

MR. STIRLING:

position where we are now and say, "I am going to give more money to your centers," because I believe that all the sugar-coating that was in the minister's statement to the Federation of Municipalities - they went away thinking that, Boy, all we have got to do is put through a property tax regulation and those of us who already have property tax are going to clean up when all these



MR. L. STIRLING: grants come in. And all that it really is, as far as that part of the Act is concerned, really is doing is forcing the people in those areas to pay for the services. Now you should tell them that! You should tell them that out front and tell them the truth because they should be told.

MR. S. NEARY: The Property Tax Bill, that is what will do it.

MR. L. STIRLING: Well, that leads into - I know I am not going to get a chance to finish today so in five minutes I will adjourn the debate. But I would like to introduce the other thing that is in the Bill that we should be aware of, and tomorrow I will get into some of the nitty-gritty points that have been brought up.

The Regional Government concept:  
The minister is just introducing the Act made it sound as if it was very simple. He said, 'Of course, this is just a little bit of enabling legislation'.

MR. S. NEARY: He could not get it passed in the Legislature, now he is going to (inaudible).

MR. L. STIRLING: All this Regional Government enabling legislation will do is to take it out of this House of Assembly, to take it away from the back-benchers, many of whom represent communities that should be vitally concerned about this matter, taking it away from the House of Assembly and saying, 'The authority is in here, the enabling legislation is in here for the Cabinet to set up Regional Government'. That is what the whole basis of the section on Regional Government is. It copies some of the other things about having a manager and what his duties are and all of that sort of stuff, but it says, Lieutenant-Governor in Council may do this and may do that, the Budget has got to be submitted to the Lieutenant-Governor in Council, or the Cabinet, or, if you

MR. L. STIRLING: believe, one of the ministers who is not here today, it really depends on the leader. The Premier of the day told me to do this, so when the Premier of the day wants it, of course, it all happens. So what we are saying is that it goes out of the hands of this House of Assembly, and I hope the backbenchers on the other side are as concerned as the members on this side of the House that the authority for making such fundamental changes in government of our people throughout this Province, that authority should remain here. If they are not ready to bring in legislation for any particular areas if they want to set up Regional Government, well, then do not try to get around us by saying, 'Okay, we are going to take it out of the hands of the House of Assembly'. And an indication of good faith in this is that the minister could change all reference to the Lieutenant-Governor in Council in this Act, just change all references to the House of Assembly and that will be his indication to us that he really has no intention of trying to slip anything through, that he really would come back to the House of Assembly where there is something so fundamental as setting up Regional Council.

Mr. Speaker, if you wish I will adjourn.

MR. SPEAKER: (SIMMS) The hon. member would like to adjourn debate and if it is agreed to call it 5:30 I am quite willing to accept that. Is it agreed to call it 5:30?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: It being 5:30 then, a motion to adjourn is deemed to be before the House. The matter for debate raised by the hon. member for LaPoile (Mr. Neary) is fishery policy and the suspension of the Fisheries Loan Board.

The hon. member for LaPoile.

MR. S. NEARY: Well, Mr. Speaker, Your Honour just read the little note that I sent up to Your Honour a few days ago and said fishery policy. What fishery policy, I would like to ask, Your Honour? There is no fishery policy in this Province at the present time, Your Honour. If you do not talk about oil in this House and in this Province today, why the government will not listen to you. The Premier has no time for anything else except oil! No time for the fishery, which is our most basic industry in this Province, no time for mineral resources, no time for the forestry, no time for agriculture, no time for the other industries we have! All he can think about is oil! Oil! Oil! Oil! That is all he talks about day and night, twenty-four hours a day, oil! Well, Mr. Speaker, we hope the oil is out there, we hope, Mr. Speaker, there will be a commercial discovery offshore but, Mr. Speaker, we also have to look after what we have. We have to look after the fishery; the fishery is the most basic industry we have and this government has neglected it in recent years, has forgotten all about the fishery. Mr. Speaker, people in this Province are very concerned about the fact that if there is an offshore discovery, for instance, of oil what protection does the environment have? Do we have the

MR. NEARY: technology to deal with a major blow out? Will it wipe out the fishery? Could the fishery in this Province be wiped out overnight by a ghastly oil spill, by this sticky stuff that we saw off our coast last year from the Kurdistan, this gooey, sticky stuff that fishermen got into their nets?

AN HON. MEMBER: (Inaudible)

MR. NEARY: Mr. Speaker, I almost feel right now as if I am wasting my time, Sir -

AN HON. MEMBER: You are wasting your time.

MR. NEARY: -wasting my time. The government members are not interested. If you are not talking about -

MR. SPEAKER: (Sings) Order, please.

MR. NEARY: If you are not talking about oil -

MR. THOMAS: Come down to Grand Bank and laugh at the fish.

MR. NEARY: Yes, that is right, down on the south-west coast

SOME HON. MEMBERS: Come down!

MR. NEARY: If you are not talking about oil, then nobody seems to be interested. The press have all their news stories put to bed for the day. There is no good of raising the Fisheries Loan Board, which is concerning fishermen all across this Province, where the government has punished the fishermen by suspending the Fisheries Loan Board. Fishermen cannot get loans for engines, new boats, to get bigger boats. They have shut down the Fisheries Loan Board. The press could not care less why it is shut down. It is shut down because of government mismanagement. It is shut down because it was used for political patronage by ministers. But no! Where is our probing press? They

MR. NEARY: got all their stories now put to bed since five o'clock today, so anything else that happens in this House after five o'clock, except the Evening Telegram maybe, except the Telegram that just came back off strike and they are bubbling over with energy and rearing to go, unless they pick up the odd little line or two, nobody could care less what happens to the fishery, what happens to the fishermen in this Province. We have not had an explanation from the government of why they shut down the Fisheries Loan Board. We have heard stories coming from the Fishery Department, we have seen the Premier do a hatchet job on the former Minister of Fisheries, who is now out campaigning in a federal by-election, by calling for a review of all the policies of the Department of Fisheries. And that former minister, who is now out campaigning, sent out a coloured brochure, all over Newfoundland, about a year and a half ago, outlining the fishery policy, a brochure done up in all kinds of colour that cost the taxpayers a fortune, delivered to every home in Newfoundland.

AN HON. MEMBER: Time is up.

MR. NEARY: Time is up! The hon. gentleman's time is almost up. If there was an election today, Mr. Speaker, an election today

AN HON. MEMBER: How often have we heard that.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: If there was an election in this Province today, Sir, not five on the other side would be returned.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The honeymoon is over, Mr. Speaker.  
The honeymoon is over, Sir.

AN HON. MEMBER: 'Neary' takes the cake.

MR. SPEAKER: Order, please.

November 15, 1979

Tape 1115

MB - 3

MR. NEARY:

Mr. Speaker, it is great.

So if you do not talk about oil nobody wants to hear. The minister - talking about the press - should take that answer that the minister tabled to my question today and take a look at it, the minister himself getting over thirty thousand dollars for that one project alone -

SOME HON. MEMBERS:

Oh, oh!

MR. NEARY:

-while he is over lecturing in the university

MR. SPEAKER: (Simms)

Order please.

MR. NEARY:

- plus what he got for doing the Companies Act.

MR. SPEAKER:

Order, please.  
I believe the subject matter is the fishery, and I believe the hon. member is straying a little.

MR. NEARY:

I am just showing the House, Mr. Speaker, where the money went that should have gone into the fishery.

MR. BARRY:

I have nothing to hide.

MR. NEARY:

Well, I hope the press will take it and do a little probing into that

MR. BARRY:

Nothing to hide. It is all there.

MR. NEARY:

Nothing to hide? If I were the hon. gentleman tabling that answer, I would hide my head in shame.

AN HON. MEMBER:

(Inaudible)

MR. SPEAKER:

Order, please!

MR. NEARY:

No wonder, Mr. Speaker, the Fisheries Loan Board does not have any money. When you look at that kind of extravagance and waste.

MR. SPEAKER:

The hon. member's time has expired.  
The hon. President of the Council.

MR. MARSHALL:

Make no wonder, Mr. Speaker, the press has gone home. If they hear any more speeches like that from the hon. member, they will not be back again, and neither will anybody.

November 15, 1979

Tape 1115

MB - 4

AN HON. MEMBER:

Hear, hear:

MR. MARSHALL:

Mr. Speaker, this is a new strategy of the hon. member, which he hopes to get adopted by his party and by the party itself, that all this government is concerned with is oil, and that it is not concerned with the fishery, and it has not been concerned with the fishery. This is a new psychology, this is a new approach, this is a new attack on the government; this

MR. MARSHALL:

coming from the crowd who effectively were driving people out of their settlements in this Province -

AN HON. MEMBER: Hear, hear

MR. MARSHALL: - year after year -

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: - in a more effective manner than the British did 200 or 300 years ago.

MR. STAGG: Right on!

MR. MARSHALL: And this is their psychology and that is all they have to talk about because they have nothing else and absolutely nothing else.

Now as to the Fisheries Loan Board, the Fisheries Loan Board has not been suspended, Mr. Speaker. This government has invested more money in the fishery than ever before and particularly with the Fisheries Loan Board. Two years ago there was \$2.5 million provided. By the way, that was almost the sum total of the total budget for the Fisheries Department that was provided by the Liberal Party when they were in power.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: The next year it went up to \$5 million. This year it went up to \$8 million. Not only is there \$8 million, but there has been such activity generated that there is an extra \$4 million or \$5 million by pay back. So we have \$12 million or \$13 million. What this shows, Mr. Speaker, is not a failure of the Fisheries Loan Board or anything but it enhances the policy of this government. It shows the effect of the policy of this government because it shows how we have bolstered up the fisheries. Its effect has been found in many of the smaller communities in this Province, communities that would not have existed if the hon. gentlemen had stayed in power, in the bolstering up of the fisheries. Its effect has been found in community after community where small boat building in this Province has occurred. And I think it is absolutely stupid for the hon. member, it shows



MR. MARSHALL:

his lack of knowledge and it shows his partisanship when he tries to indicate that the Fisheries Loan Board has been suspended.

The reason for the curtailment, temporary curtailment, in the activities of the Fisheries Loan Board, Mr. Speaker, is because there has been so much activity, as I say, in the fisheries in this Province that it is necessary now to have a review, to stop for a few weeks to see just exactly where we are going. There are already outstanding substantial applications and we have to review and we have to access, and as the Premier and the government has indicated, we have got to prioritize them and that is exactly what we are going to do. And we are not going to be put off by any of the guffaw from the hon. gentleman and the critics.

At the present time we have advertised for a new Chairman of the Fisheries Loan Board. And, as I say, we have the matter under review. So there has been plenty and there has been ample explanation with respect to the Fisheries Loan Board. We make no apology for it, Mr. Speaker; as a matter of fact we look to it with great pride because it is indicative of the way in which the policies of this Party in government to foster the fisheries of this Province have borne fruit and the net result has been there are tremendously more numbers of people in the fisheries of this Province and this Province is developing economically as a result of it rather than depending, as the hon. gentlemen did, on the daydreams of Mr. Shaheen and Mr. Doyle, and you go back further to Mr. Valdmanis and his rubber factory and what have you. So we make absolutely no apology for it, Mr. Speaker. The Fisheries Loan Board has not been suspended. The fishery has not been suspended. As a matter of fact, the fishery of this Province is in a very healthy condition and so is the economy under the stewardship of this government.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (SIMMS):

Order, please!

The second matter for debate raised by the hon. member for LaPoile (Mr. Neary) re increases in electricity

MR. SPEAKER (SIMMS):

rates, profits of the Newfoundland Light and Power.

The hon. member for LaPoile.

MR. NEARY:

I would love to be able to debate, Sir, that matter with the hon. gentleman. And the hon. gentleman in his snarky, little snide remarks asked the hon. gentleman about the trust fund down in his law office involving the taximen in this city.

MR. SPEAKER:

Order, please!

MR. NEARY:

And Charbonneau Associates, what about that?

MR. SPEAKER:

Order, please!

MR. NEARY:

That scandal? What happened to the trust fund -

MR. SPEAKER:

Order, please!

MR. NEARY:

- down in the hon. gentleman's law office.

Mr. Speaker, consumers of electricity in this Province must have been shocked when they learned from the quarterly report of the Newfoundland Light and Power Company that the company is making a profit of \$1 million a month. And the Minister of Mines and Energy (Mr. Barry) and the Premier (Mr. Peckford) and the government, who are only concerned about oil, who can think of nothing else but oil, are not doing one thing about it.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

The hon. gentlemen should have went down and seen Some Slick I went down, the hon. Minister of Tourism and I were there on the same night. I did not have a reserved seat but the hon. gentleman did, but I saw Some Slick and I must say it was some slick. And this is some slick too, Sir, some slick on the part of the Newfoundland Light and Power Company who managed to pull the wool over the Board

MR. S. NEARY:

of Commissioners of Public Utilities, who seem to be more interested in seeing that the company gets a reasonable return on its investment. Everytime there is a hearing before the Public Utilities Board, the Chairman of the Board or some member of the Board will religiously make the statement, "We are concerned and interested in seeing that the company has a reasonable return on its investment." Well, that is not what the Public Utilities Board is there for. The Public Utilities Board is established to protect the consumers of this Province, not Newfoundland Light and Power Company. And when I raised this matter this afternoon during the Oral Question period in this House by asking the Premier what he was going to do about this exhorbitant profit, about this excess profit of \$1 million a month by the Newfoundland Light and Power Company, he brushed it off by saying, "Oh, they have expenses. They have expenses too," he said. He almost had me crying. I thought for a moment he was the Premier of Newfoundland Light and Power Company and not the Premier of Newfoundland. Defending the company, that is what the hon. gentleman did and that is why I put down this matter for the Late Show this afternoon. The hon. gentleman -

MR. J. MORGAN: What do you want to do with Newfoundland Light and Power?

MR. S. NEARY: Mr. Speaker, what I want to do with the Light and Power is something that we should have done a long time ago - provincialize it. But right at this moment when the profits are up, it would cost an arm and a leg now.

AN HON. MEMBER: It would cost two arms and two legs.

MR. S. NEARY: Mr. Speaker, it would not cost any more than it cost the taxpayers to set off two explosions on either side of the Strait of Belle Isle or to nationalize Churchill Falls Corporation. It would cost much less. As a matter of fact the reason - I got an answer to a question the other day that showed me one of the reasons for Hydro asking for the increase in rates was because of the money borrowed to set off these two explosions on

MR. S. NEARY:                                   either side of the Strait of Belle Isle. The money was borrowed from Hydro. Hydro had to go out in the bond market and borrow the money. That is where the money came from - Newfoundland Hydro - for that charade, for that sham, setting off these two firecrackers. But anyway, Sir, when I asked the Premier this afternoon, he certainly left me and other members of the House with the impression that he was more interested in protecting shareholders of Newfoundland Light and Power Company, who reside outside of this Province, than he was not protecting the consumer of electricity in this Province, otherwise he would have been just as infuriated as anybody else was in this Province when they learned that Newfoundland Light and Power is paying out \$1,625,000 on their preference shares to shareholders outside of this Province, and \$2.10, compared to \$1.79 a year ago, on common shares, up thirty-one cents to shareholders who live outside of this Province.

Mr. Speaker, I would say that what the Premier should have told the people of this Province today was that he was going to call in the Chairman of Newfoundland Hydro and the Chairman of the Public Utilities Board and demand an explanation for these exorbitant profits. And after that, then roll back the rates to what they were a year ago.

MR. MORGAN:                                   Newfoundland Light and Power is a private company.

MR. S. NEARY:                                   Is not that something? The hon. gentleman now just told the House something that we did not know, that Newfoundland Light and Power is a private company. Well, if I had my way it would not be a private company.

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

MR. S. NEARY:                                   We produce the power in this Province and we should be distributing it -

MR. SPEAKER:                                   Order, please!

MR. S. NEARY:                                   - and not have this middleman jammed in between

November 15, 1979

Tape No. 1117

SD - 3

MR. SPEAKER: (Mr. Simms)

The hon. gentleman's time has expired.

The hon. Minister of Mines and Energy.

SOME HON. MEMBERS:

Hear, hear.

MR. L. BARRY:

Mr. Speaker, it is unfortunate that the rest of us can not be as sure about anything as the hon. member opposite is about everything.

The number of dollars, Mr. Speaker, that a company makes in any year - what you have to look at is what is the investment that is put into the company on which that money is made. And what the Public Utilities Board will look at is what is the rate of return that this company has gotten on its investment.

MR. BARRY:

Now this is what the Public Utilities Board looks at on a rate application, and if, when the company goes back next year or the year after and it turns out that they have made a higher rate of return on their investment than was anticipated, their rates will be rolled back. The Public Utilities Board will look at what their rate of return has been on the money invested and will roll rates back if, in fact, they have earned more than it was proper for them to earn on the capital they put into the company. That is the way the process works. The Public Utilities Board will listen to Newfoundland Light and Power, will look at how much money they have invested in capital, how much they have to borrow, and they will allow them a certain rate of return. And it boils down purely and simply to the fact that the hon. member has told us nothing about the rate of return that this company is making. Is the rate of return higher than allowed by the Public Utilities Board?

MR. NEARY: (Inaudible) the profits  
of Newfoundland Light and Power (inaudible) consumer  
The hon. gentleman should be.

MR. BARRY: Mr. Speaker, the consumer is not being served by the hon. member putting his head in the sand and ignoring the fact that if this Province had to go out and borrow the money to buy out the shareholders of Newfoundland Light and Power, as he is suggesting, it would, in fact, cost more in all probability than the \$1 million a month profit that the hon. member has referred to.

At the present time, Mr. Speaker, there are two reasons why there is a value to having Newfoundland Light and Power as a private entity in this Province. One is that it can provide a comparison against which we can match the efficiency of Newfoundland and Labrador Hydro. They are both performing similar functions in many areas and we can look at and we can see, okay, How is the private sector doing in supplying this service? How is Hydro



November 15, 1979

Tape 1118

EC - 3

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER: (Simms)

Order, please!

On motion, the House at its rising  
adjourned until tomorrow, Friday, November 16, 1979 at 10:00 A.M.



I N D E X

ANSWERS TO QUESTIONS

TABLED

NOVEMBER 15, 1979

*Des. de Gustin*

*Hansard Office*

Question No. 28 - Order Paper dated July 31, 1979

Mr. Neary (LaPoile) - to ask the Honourable the Minister of Mines and Energy to lay upon the Table of the House the following information:

- (a) a list showing the names of all individuals, firms and companies hired on contract salary or seconded in connection with the preparation of the Province's case on offshore rights;
- (b) amounts paid to the above in the fiscal years 1972, 1973, 1974, 1975, 1976, 1977, 1978 and 1979 to date;
- (c) names of the above currently receiving payments from the Public Treasury;
- (d) a breakdown of above individuals, firms or companies or those seconded by country of residence.

RESPONSE TO MR. NEARY'S QUESTION (A)

List of all individuals, firms and companies hired on contract salary or seconded in connection with the preparation of the Province's case on offshore rights.

Myles McDougal	Prof. Geoffrey Marston
Van Meurs & Associates	Heather Wareham
Den Morske Creditbank	Margaret Chang
Johh Halliwell	William Gilmore
Dr. Keith Matthews	A.V. Lowe
Memorial University of Nfld.	Saga Communications Limited
L.W. Vigrass	Prof. A.F. Madden
J. George Neuspiel	Cole Engineering Limited
Prof. Noel Lyon	Susan Parsons
Prof. D.P. O'Connell	Willeen Keough
Terry Burke	David Jones
William Lukeman	Northland Associates
Robert Holland	NORDCO
Ice Limited	Institute of International Law and Economic Development
Cabot Martin	P.J. Amiria
Leo Barry	

Dept. of Mines & Energy  
10 September 1979

RESPONSE TO MR. NEARY'S QUESTION (B)

Amounts Paid in connection with the preparation of the Province's case on offshore rights in the fiscal years 1972, 1973, 1974, 1975, 1976, 1977, 1978 and 1979 to date.

Amounts Paid in Connection with the Provincial Offshore Case 1973-1979

<u>73/74</u>	<u>73/74</u>	
<u>NAME</u>	<u>COUNTRY OF RESIDENCE</u>	<u>AMOUNT</u>
Myres McDougal	United States	\$ 5000.00
A.P.H. Van Meurs	Ottawa, Canada	\$ 2385.32
Den Norske Creditbank	Oslo, Norway	\$ 1885.14
John Halliwell	Ottawa, Canada	\$ 286.26
	<b>TOTAL</b>	<u>\$ 9556.72</u>

	<u>74/75</u>	
<u>NAME</u>	<u>COUNTRY OF RESIDENCE</u>	<u>AMOUNT</u>
Van Meurs & Associates	Ottawa, Canada	\$17502.48
Dr. Keith Matthews	Nfld., Canada	\$ 5487.38
Memorial University	Nfld., Canada	\$13391.66
L.W. Vigrass	Sask., Canada	\$ 1411.92
J. George Neuspiel	Ottawa, Canada	\$ 387.61
Prof. Noel Lyon	Ontario, Canada	\$ 1000.00
Prof. D.P. O'Connell	England	\$ 3000.00
Terry Burke	England	\$ 500.00
William Lukeman	Nfld., Canada	<u>\$ 3218.82</u>
	<b>TOTAL</b>	<u>\$45899.87</u>

(Cont'd)

Amounts Paid in Connection with the Provincial Offshore  
Case 1973-1979

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75/76

<u>NAME</u>	<u>COUNTRY OF RESIDENCE</u>	<u>AMOUNT</u>
Dr. Keith Matthews	Nfld., Canada	7201.90
Memorial University	Nfld., Canada	16740.00
Robert Holland	England	1100.00
L.W. Vigrass	Sask., Canada	1063.75
Geoffrey Marston	England	5490.00
Van Meurs & Associates	Ottawa, Canada	4386.72
	TOTAL	<u>\$35982.37</u>

76/77

<u>NAME</u>	<u>COUNTRY OF RESIDENCE</u>	<u>AMOUNT</u>
Heather Wareham	Nfld., Canada	6253.47
Margaret Chang	Nfld., Canada	12589.71
Dr. Keith Matthews	Nfld., Canada	2438.31
Memorial University	Nfld., Canada	3186.66
Prof. Geoffrey Marston	England	7444.32
William Gilmore	Ottawa, Canada	10131.71
Van Meurs & Assoc.	Ottawa, Canada	42805.00
A.V. Lowe	England	389.39
Saga Communications Ltd.	Nfld., Canada	40377.54
Prof. A.F. Madden	England	500.00
Cole Engineering Limited	Alberta, Canada	2300.00
	TOTAL	<u>\$128,416.11</u>

(Cont'd)

Amounts Paid in Connection with the Provincial Offshore  
Case 1973-1979

77/78

<u>NAME</u>	<u>COUNTRY OF RESIDENCE</u>	<u>AMOUNT</u>
Leo Barry	Nfld., Canada	13787.19
Heather Wareham	Nfld., Canada	6494.69
Margaret Chang	Nfld., Canada	1807.11
Susan Parsons	Nfld., Canada	6585.04
Willeen Keough	Nfld., Canada	5337.86
Prof. Geoffrey Marston	England	12673.06
David Jones	England	600.00
Saga Communication	Nfld., Canada	92322.26
Prof. D.P. O'Connell	England	21000.00
William Gilmore	Ottawa, Canada	6803.56
A.V. Lowe	England	401.33
Van Meurs & Associates	Ottawa, Canada	16500.00
Northland Associates	Nfld., Canada	21025.00
NORDCO	Nfld., Canada	30400.00
Den Norske Credit Bank	Oslo, Norway	3700.00
	TOTAL	\$ 239437.10

78/79

<u>NAME</u>	<u>COUNTRY OF RESIDENCE</u>	<u>AMOUNT</u>
Susan Parsons	Nfld., Canada	4597.57
Willeen Keough	Nfld., Canada	11592.71
ICE Limited	Nfld., Canada	6000.00
Northland Associates	Nfld., Canada	10650.00
Institute of International Law & Economic Development	U.S.A.	11769.25
Van Meurs & Associates	Ottawa, Canada	31628.22
Geoffrey Marston	England	9400.71
Cabot Martin	Nfld., Canada	4659.45
William Gilmore	Ottawa, Canada	7677.19
Prof. D.P. O'Connell	England	12484.81
P.J. Amiria	Canada	1925.00
Leo Barry	Nfld., Canada	16849.79
	TOTAL	\$ 129234.70

(Cont'd)

Amounts Paid in Connection with the Provincial Offshore  
Case 1973-79

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<u>NAME</u>	<u>79/80 COUNTRY OF RESIDENCE</u>	<u>AMOUNT</u>
Van Meurs & Associates	Ottawa, Canada	4050.00
	TOTAL	<u><u>\$ 4050.00</u></u>

RESPONSE TO MR. NEARY'S QUESTION (C)

Names of Individuals Currently Receiving Payment from the Public Treasury in Connection with the Province's Case on Offshore Rights.

Mr. B. Gilmore

Contract is for 60 days work between 1st. April/79 to January/80. He can only work 60 days during this period.

Ms. W. Keough

Is a salaried employee. Her contract has been extended from the 1st. July/79 to September/30/79.

Prof. D.P. O'Connell

Does not have a contract with him now, however we have paid him \$3,141.56 since April. (But because he has died, money was paid to his estate.)

McCarthy-McCarthy (Firm which Mr. Robineth is involved)

Do not see any existing contract with him. However he was paid \$2,551.28 since April 1st.

Prof. Marston

*Contract renewed to complete draft factum in 1979.*  
~~Contract August 10th., 1979 expired. As of yet cannot see if contract has been renewed. But we have paid him \$3,000. Since April 1st.~~



RESPONSE TO MR. NEARY'S QUESTION (D)

A Breakdown of Above Individuals, Firms or Companies or Those  
Seconded by Country of Residence.

Breakdown by Country of Residence of Individuals and Firms Hired  
in Connection with the Province's Offshore Case

Canada  
Van Meurs & Associates  
John Halliwell  
Dr. Keith Matthews  
Memorial University of Nfld.  
L.W. Vigrass  
J. George Neuspiel  
Prof. Noel Lyon  
Heather Wareham  
Margaret Chang  
William Gilmore  
Saga Communications Limited  
Cole Engineering Limited  
Susan Parsons  
Willeen Keough  
Northland Associates  
NORDCO  
ICE Limited  
Cabot Martin  
P.J. Amiria  
Leo Barry

England  
Prof. D.P. O'Connell  
Terry Burke  
Robert Holland  
Prof. Geoffrey Marston  
A.V. Lowe  
Prof. A.F. Madden  
David Jones

Norway  
Den Norske Creditbank

U.S.A.  
Myles McDougal