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TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
TUESDAY, NOVEMBER 27, 1979

The house met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: (SIMMS) Order, please!

ORAL QUESTIONS

MR. SPEAKER: The hon. member for LaPoile.

MR. S. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Finance, Sir, in connection with any negotiations that may be going on with ERCO to try to re-open the contract with ERCO for the subsidization of the power for that company.

MR. SPEAKER: The hon. Minister of Finance.

DR. J. COLLINS: Yes, Mr. Speaker, there have been negotiations. I think the last face to face meeting was approximately a month ago and this has since been followed up by communications by letter.

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

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

MR. S. NEARY: Mr. Speaker, could the hon. gentleman inform the House if his department has done a cost analysis study to see what the actual revenue is to the treasury as compared to what is paid out for the subsidy?

MR. SPEAKER: The hon. Minister of Finance.

DR. J. COLLINS: Mr. Speaker, no, the Department of Finance has not done so and the reason why the Department of Finance has not done so is that this, I believe, is under the aegis of the Department of Industrial Development.

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

MR. SPEAKER: A final supplementary, the hon. member for LaPoile followed by the hon. member for Bonavista North.

MR. S. NEARY: Mr. Speaker, would the minister indicate whether or not ERCO have voluntarily decided to increase their price for electricity to Newfoundland Hydro based on the hydro produced at Bay d'Espoir?

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

DR. J. COLLINS: Mr. Speaker, I think the company has suggested there may have been some dedication of the hydro at Bay d'Espoir to the company's use but that is not our position. We can find no evidence that that is so, so that any increase in the price of hydro electric power to the company would not necessarily have anything to do with the cost of producing at Bay d'Espoir. It would be more related - I am not saying it would be the same but it would be more related to the total system cost.

MR. SPEAKER: The hon. member for Bonavista North.

MR. L. STIRLING: Thank you, Mr. Speaker. I have a question for the President of the Council (Mr. Marshall) in the absence of the Minister of Justice (Mr. Ottenheimer). It is a question that arises because I could not get an answer from either the Auditor General or any of the officials, and it has to do with the Auditor General's report which was tabled February 1979, dealing with the year ending March 1978. The Auditor General in that report, dealing with paragraph 51, says, "The Public Tender Act, 1974, was apparently contravened with the knowledge of senior officials of the department"; and paragraph 52, "The Public Tender Act, 1974, was contravened". The question I would like to ask now to the President of the Council is: has the government taken any action to either lay charges or investigate whether or not charges should be laid in connection with the Auditor General's report.

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

MR. MARSHALL: Mr. Speaker, if the hon. member would like to be more specific, I mean he just referred to paragraphs 52 and 54 of the Auditor General's Report. I do not know what specific instance he is referring to, so if he wants to be more specific. But I do not know what he means. Also, perhaps, he could be a bit more specific about what he means by charges.

MR. SPEAKER: A supplementary, the hon. member for Bonavista North.

MR. STIRLING: Thank you very much.

Mr. Speaker, well this is by way of clarification, with leave from the other side. He asks me -

MR. SPEAKER: A supplementary, the hon. member for Bonavista North.

MR. STIRLING: In dealing with the Auditor General's Report, it has to do with project number two, the reference is, "In March 1977, the department invited bids from two contractors for the crushing of 20,000 tons of class 'A' gravel and stockpiling at three levels on the Avalon Peninsula." Public tenders were not called. The information that the President said was the Public Tender Act 1974, was apparently contravened with the knowledge of senior officials of the department. And the question was asked of the Public Accounts Committee, Mr. Speaker, as to who would take the action. The minister, who was the witness, said that he had not referred it to the Department of Justice. The department officials said they had not referred it. The Auditor General said he had not referred it, and in a public statement said, after hearing the minister's comments, he felt that he had not changed his opinion and his opinion was as is stated here, and his opinion stated here was the Public Tender Act was contravened.

The question I am asking the President is, I believe the government is responsible for justice in this Province and in view of the fact that everybody has now said publicly that it has not been referred,

MR. STIRLING: would the President of the Council indicate whether or not the government intends to take any action on the advice of these senior officials?

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

MR. MARSHALL: Mr. Speaker, look this is the same question that has come up - it has become a political football kicked around from day to day and from week to week by the hon. gentlemen there opposite. The situation with respect to that particular matter -

MR. STIRLING: A point of order.

MR. SPEAKER: A point of order, the hon. member for Bonavista North.

MR. STIRLING: I believe those comments about a political football being kicked around are unparliamentary and have to be withdrawn.

SOME HON. MEMBERS: Oh, oh!

MR. STAGG: What a place to be playing politics, in this House.

MR. SPEAKER: Does anybody else wish to speak to the point of order? If not I would rule that there is not a point of order in this particular case. That expression has been used on many occasions.

The hon. President of the Council.

MR. MARSHALL: Mr. Speaker,

Mr. Marshall: I did not say "The hon. member was a political football", I said, "He was kicking a political football, and he is kicking a dead cat as well."

The situation with respect to The Public Tender Act, that particular matter is now under consideration, first of all, by The Public Accounts Committee of which the hon. gentleman is a member, and as such he knows the facts themselves. The Public Tender Act to which reference has been made and reference is being made from time to time by many of the hon. gentlemen there opposite who were in a government at a time when there was no such thing as public tenders because they were too busy shovelling the contracts out through the back door to their favourite sons -

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Mr. Speaker, the situation with respect to that Public Tender Act is that it is one of the strongest Public Tender Acts in Canada. It is stronger -

AN HON. MEMBER: That is not what the Auditor General says.

MR. MARSHALL: I do not care what the Auditor General says or what any other member says.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (SIMMS): Order, please!

MR. MARSHALL: And with respect -

MR. SPEAKER: The hon. House Leader.

MR. MARSHALL: As to whether or not charges have been laid, you know, there are innuendoes with respect to that. Any charges that would be laid against public officials in connection with any conduct that had occurred in the course of the exercise of their duties would be taken under the Criminal Code, if such circumstances warranted it. Now, if the hon. gentleman is making allegations of criminality against hon. members perhaps he might like to explain. But as far as the Department of Justice is concerned, if there has been a mistake in judgment, which we do not know whether or not there has been, this is a matter

Mr. Marshall: for determination, it has been a mistake in judgment. But we have had no indication whatsoever, not one iota of indication that there has been criminality on anybody's part. And if the hon. gentleman, I say, wishes to make an allegation to that effect or to lay a charge, the Department of Justice would look into it on that basis.

But I would caution the hon. gentleman from making a political football out of things and to cast innuendoes on persons who may be perfectly innocent, may have acted, you know, contrary to the provisions of a certain Act, but without any intent, what have you, or any intention to commit a misdemeanor and a crime. And I think it is time that this canard was laid to rest once and for all.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (SIMMS): A new question, the hon. member for the Strait of Belle Isle, followed by the hon. member Port au Port.

MR. ROBERTS: Thank you, Mr. Speaker. Well, mine is not a supplementary. I will have, I think, some.

I do not want to get into a political diatribe such as the hon. gentleman from St. John's East (Mr. Marshall) just got into. I find it interesting that the House has not been allowed to debate this infamous conduct, and I may say the infamous speech of the hon. gentleman opposite.

My question, Sir, is this, it grows out of the same two paragraphs, Paragraph 51 and Paragraph 52 of the Auditor General's Report for the year ended 31, March, 1978. And I want to ask the minister if he will tell us, please, simply what action the government have taken with respect to the statements made by the Auditor General? And I make no allegations, nor, I think, to be fair, did my learned hon. friend for Bonavista North (Mr. Stirling), but I would

MR. ROBERTS: simply repeat for the benefit of the House that in these two paragraphs the Auditor General, a senior, independent, impartial servant of this House, has given his considered opinion that in the two instances on which he reported in some detail the Public Tender Act was contravened. Now, Sir, the government of this Province is responsible for the administration -

MR. STAGG: It is a speech.

MR. ROBERTS: And if it is a speech let it be one and let hon. gentlemen opposite remember that the government of this Province are responsible for the administration of the laws of this Province.

MR. STAGG: Intervene, Mr. Speaker.

MR. ROBERTS: And Mr. Speaker needs no direction from the hon. gentleman from Stephenville (Mr. Stagg)

MR. SPEAKER: (Simms) Order, please!

MR. ROBERTS: If the hon. gentleman from Stephenville (Mr. Stagg) has a point of order let him raise it.

MR. SPEAKER: (Simms) If the hon. member has a question ask it please.

MR. ROBERTS: Thank you. I am phrasing my question as best I can and I know, Your Honour, will not hesitate to intervene if Your Honour thinks that I need to be intervened with respect of I would simply say that the government are responsible for the administration of the laws in this Province. We have a Public Tender Act which may or may not be a good one. We will talk about that at the appropriate time. The Auditor General has made some statements indicating that the Public Tender Act has been contravened and I would ask the minister if he would be kind enough, please, to tell us what action the government have taken in response to those two statements made by the Auditor General?

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

MR. MARSHALL: Mr. Speaker, the immediate action which this government has taken has been, in the first instance, to establish a

MR. MARSHALL: functional Public Accounts Committee to which the Auditor General makes his report. The Auditor General gives his impression, such as he has given in these two paragraphs. It is a matter then of debate and consideration before the Committee and then as a result of this debate, then the whole operation of government insofar as it pertains to the particular instances involved is open to public speculation and public enquiry.

MR. ROBERTS: A supplementary.

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

MR. ROBERTS: I thank the hon. gentleman, and again I regret we are not allowed to get into debate. His answers are argumentative and eminently debatable but there will be an opportunity.

I would ask the hon. gentleman whether the government have sought legal advice in respect of these statements made by the Auditor General and, if so, whether any action has been taken with respect to that legal advice?

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

MR. MARSHALL: I am not at this point in time able to answer that question, Mr. Speaker, but I will say this, that any questions such as this as to whether or not the government has acted on the statements made by the Auditor General, will have to await the outcome of the present deliberations and report of the present sessions of the Public Accounts Committee. And if the Public Accounts Committee comes in with a report that requires further enquiry

MR. MARSHALL: - and I say 'if' because that is a big if, so let us not say when the Public Accounts but if the Public Accounts Committee comes in, then at that point in time it will be considered. But I would suggest, Mr. Speaker, to the House, that we would be anticipating the report of the Public Accounts Committee to pursue at this particular time. I mean, there have been no allegations, for instance, of criminality or anything like that in the Auditor General's report, which would be a different thing.

MR. ROBERTS: Mr. Speaker, a supplementary.

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

MR. ROBERTS: Mr. Speaker, given that the report is made to the House of Assembly and not to the Public Accounts Committee, and given that the reference of the report to the Public Accounts Committee does not preclude any further action - the Public Accounts Committee is not a device for muzzling, I know my learned friend would agree - might I ask my hon. friend, the Government House Leader, (Mr. Marshall), whether the government are prepared to retain outside counsel, an independent special prosecutor, with a view to giving the government an opinion to determine whether or not the Auditor General's opinion is correct and that there have been breaches of the statutes of this Province? And I ask that in all candour and all straightforwardness, because I know full well, Mr. Speaker, that the hon. gentleman from St. John's East (Mr. Marshall) has fathered the Public Tendering Act and considers it, I think with a measure of justification, to be one of the achievements of his career, at least to date, in public life. And here we have a case where - let me say again, let me put it in perspective, Mr. Speaker - that the Auditor General, doing his duty, has said that in his opinion - and he states the reasons for his opinion - that the Public Tendering Act has been breached.

Now, the Public Accounts Committee will come to their own conclusions, and so they should, after hearing whom they wish and making what investigations they wish, but that does not absolve the government of their responsibility to respond.

MR. ROBERTS: So I ask my hon. friend whether the government are prepared to retain an outside counsel, as they did, for example, in the case of - they retained, I believe, Mr. John Robinette, an eminent counsel, in response to the O'Dea Commission report - whether they are prepared to retain outside counsel, to refer the matter to him, with a view to determining whether or not the Public Tendering Act has been breached? - If so, by whom? And if so, what further action, if any, ought to be taken in the administration of the justice of this Province?

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

MR. MARSHALL: Mr. Speaker, first of all, true, the report is made to the House of Assembly, but the House of Assembly in its wisdom has referred this report to the Public Accounts Committee. So until the Public Accounts Committee reports to this House of its findings, the matter is as I have indicated in my previous answer.

I will indicate, though, Mr. Speaker, that I think - I do not know whether it was a slip of the tongue by the hon. member or not, but I think it rather unfortunate that he uses the description of legal opinion as an outside prosecutor. I do not think he means that, because the word 'prosecutor' connotes that there is something to prosecute -

MR. ROBERTS: A special counsel.

MR. MARSHALL: - a special counsel. The indication of the hiring of Mr. Robinette was on an entirely different plane, because there we were inquiring into whether or not there had been any breaches of another statute which is not within the jurisdiction of this particular Assembly. So the answer remains the same, Mr. Speaker, that this government will await, first of all, the report of the Public Accounts Committee, number one; number two,

MR. W. MARSHALL: the entire situation, as I can assure this House, of the action that the government is now taking, is by appointing a full open Public Accounts Committee to examine the affairs of government and we will still continue to do it. In the meantime, Mr. Speaker, I give the hon. House the full assurance that this administration, the Peckford administration, is entirely committed to the following of the spirit and intent of the Public Tenders Act of this Province.

SOME HON. MEMBERS: Hear, near.

MR. SPEAKER: (Mr. Simms) The hon. member for Port au Port.

MR. J. HODDER: Mr. Speaker, a question for the Minister of Education (Ms. L. Verge). In a statement made a few days ago she announced that there would be \$12 million given to the DECs to enable them to undertake capital projects. My question to the minister is, what portion of that \$12 million will be used for new school construction and what proportion of this money will be used to amortize the present debts of the school boards?

MR. SPEAKER: The hon. Minister of Education.

MS. L. VERGE: Yes, Mr. Speaker, that decision about how the Denominational Education Committees will manage the authorization given by government, and announced by me last week, to proceed with \$12 million worth of school construction, as to whether it will be applied to pay-off existing debt or as to whether it will be applied to enable new construction to proceed, is a decision of the Denominational Education Committees. It was a measure taken by government to enable the Denominational Education Committees to put them in a financial position to see that this amount worth of new school construction is, in fact, started and completed. But the way in which it is actually managed or used by the Denominational Education Committees is a decision which must remain with the Denominational Education Committees.

MR. J. HODDER: A supplementary, Mr. Speaker.

MR. SPEAKER: (Mr. Simms) A supplementary, the hon. member for Port au Port.

MR. J. HODDER: Listening to the minister's answers, it would seem to me that this \$12 million will not necessarily be used for new school construction in the Province, particularly in light of some of the statements which have been made by the RC Denominational Committee and the IEC. But, Mr. Speaker, my question to the minister is, would it not have been better if the minister had earmarked a proportion of that money for new school construction and what will stop the DECs from spending all the money to amortize their debts and will this, indeed, mean that there will be new school construction in the Province?

MR. SPEAKER: (SINMS)

The hon. Minister of Education.

MS. VERGE:

Mr. Speaker, the arrangement between government and the Denominational Education Committees is one long rooted in tradition and re-inforced in the Terms of Union with Canada at the time of Confederation. Under that constitutional arrangement the role of government is a limited one. We have done all that is in our power to see that badly needed school construction is carried out. It is not within our power under the constitution to impose any definite conditions on the use of this authorization by the Denominational Education Committees. Those committees, as the arms of the churches in education, are entrusted by their church authorities with the responsibility of managing the authorization well and providing badly needed facilities for their respective students and we have to rely on the church committees to see that that is done.

MR. J. HODDER:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. member for Port au Port followed by the hon. member for Baie Verte - White Bay.

MR. J. HODDER:

Mr. Speaker, I say in preamble that the minister must know or should have some idea as to how monies will be spent on school construction in this Province. However, I would like to put this question to her and it is a double-barrelled question: Since 80 per cent of the high schools in this Province have school populations of 300 students and under, and where those schools in many cases need libraries, labs, industrial arts facilities in order to prepare them for the Grade XII programme, could the minister attempt to explain what positions the school boards will be in once the Grade XII programme is introduced if, as the two gentlemen in this morning's papers stated, that \$80 million is needed by the IEC and \$7 million per year by the Roman Catholic portion of the DEC's? And also would the minister tell me whether the Sub-committees working on facilities looking forward with an eye to Grade XII in 1980 or 1981, have they made any recommendations or have they come up with any figures as to what the cost of Grade XII will be as far as capital school constructions is concerned?

MR. FLIGHT:

A good question.

MR. SPEAKER: (SIMMS)

The hon. Minister of Education.

MS. VERGE:

Yes, Mr. Speaker, I will take the second part of the question first. There is a Sub-committee of the Steering Committee planning the implementation of Grade XII which is looking particularly at cost estimates and facilities. That committee is chaired by Mr. Kevin Greene, the Executive Secretary of the Federation of School Boards and has

MS VERGE: been at work now for a few months. It is expected to give me a report in a couple of weeks time which will contain fairly detailed information about what facilities will be required in each school district in the Province, together with an estimate of the cost.

The first part of the question dealing with the need for additions to high schools to provide libraries, labs and industrial arts facilities, such facilities are not present in all of our high schools. It would be desirable to have them in more of our high schools, however, that need is not going to be particularly affected by the extension of the high school programme. Even confining high school to grade XI as we have now, it may be argued that there is a need for libraries or labs to be added to high schools and that same argument will remain after the programme is expanded with the addition of grade XII. It is something that we have to look at along with the Denominational Education Committees in future funding of school construction.

MR. SPEAKER (Simms): The hon. member for Baie Verte-White Bay, followed by the hon. member for Grand Bank, if time permits followed by the hon. member for Terra Nova.

MR. RIDEOUT: Mr. Speaker, I have a question for the Minister of Consumer Affairs and the Environment. My understanding of federal laws governing the rate of interest to be charged on small loans made by finance companies and businesses of that nature, is that the interest rates can only be up to a maximum of twenty-four per cent per annum, two per cent per month up to a maximum of twenty-four per cent per annum. I want to ask the minister whether or not she has had any complaints from consumers in the Province that certain finance companies are charging interest rates well above the twenty-four per cent per annum allowed by federal statute and, if so, whether she has made any representation to the Government of Canada in an effort to have those people who appear to be charging excessive interest rates brought into line?

MR. SPEAKER (Simms):

The hon. Minister of Consumer Affairs.

and the Environment.

MRS. NEWHOOK:

Mr. Speaker, I have not received any complaints of this nature. It has not reached my desk. Now whether or not some of my officials have received them, I do get a bi-weekly report but I have not seen this reported as yet. But I will take notice of this and I will bring you the answer tomorrow.

MR. SPEAKER (SIMMS): A supplementary, the hon. member for Baie Verte-White Bay.

MR. RIDEOUT: Mr. Speaker, I thank the minister for her co-operation. And I want to ask her - the problem, of course, as it has been explained to me, has come about because of the interest rates themselves that the companies must pay for the money that they borrow, but that is beside the point, if the law is 24 per cent, then finance companies or anyone else ought not to be engaged in legalized or illegalized loan sharking.

So I would ask the minister whether or not she would make representation to her Federal counterpart, because there is not too much the minister can do about it if it is not a provincial statute, but whether she would undertake to make representation to her counterpart in Ottawa and ask that the lending institutions be, particularly in this time of high interest rates, closely policed so that they may not be inclined to charge that one or two or three per cent extra and thereby take it out of the hides of the consumer in this Province.

SOME HON. MEMBERS: Hear, hear!

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

MRS. NEWHOOK: Yes, Mr. Speaker, after I have investigated this matter, if I find that this course of action is necessary I will certainly take it.

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

MR. THOMAS: Mr. Speaker, in the absence of the Minister of Justice (Mr. Ottenheimer) I would like to ask the House Leader (Mr. Marshall) a question.

MR. ROBERTS: He did some favour by going away.

MR. THOMAS: As this House knows the Executive Director of The International Fund For Animal Welfare put out a news release prior to an appeal before our courts, which appeal, I understand, is being heard today. In that particular release The International Fund

Mr. Thoms: For Animal Welfare says that in anticipation of what our court is going to decide - in anticipation of what our courts decide says that, Davies today lost his two year battle to appeal his conviction, prejudging what the court is going to say. They go on to say, "That he was immediately taken to the penitentiary in St. John's to complete a jail sentence. Further on in the release, they say that they are openly fearful of what will happen to Brian Davies while he is serving this speculative two year sentence, when the release was made. They also go on to say, that St. John's, Newfoundland is far enough away that "accidents" could happen and little of the world would take notice.

Now, Mr. Speaker, I find the fact that an organization, and one where Brian Davies is the Executive Director of that organization, would put out a news release like that

MR. THOMS: prior to the court hearing and prior to knowing what the court will decide, I find it contemptuous to the people of Newfoundland and I believe it probably could be determined to be a contempt of court.

My question to the President of the Council (Mr. Marshall) is, Will this matter be investigated by the Department of Justice? And, if found to be contemptuous, will charges be brought against either Brian Davies and/or the International Fund for Animal Welfare?

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

MR. MARSHALL: Mr. Speaker, I am sure that if there is one area of unanimity in this House as well as unanimity in the Province, it is the public attitude towards Mr. Brian Davies and his group. But at the present time the matter is before the court, and I would assume that if there are elements of contempt of court involved that the court, itself, has the mechanism by its own motion of dealing with the matter -

AN HON. MEMBER: Contempt in the face of the court.

MR. MARSHALL: Yes, contempt in the face of the court. As I say to the hon. member, I appreciate his question. I am sure we are all at one about Mr. Davies and his group, but I do not really think that perhaps at the present time it would be proper, really, to comment on a matter that is before the court.

MR. SPEAKER: Order, please!

The time for Oral Questions has expired.

Presenting Reports by Standing and Special Committees.

Notices of Motion.

The hon. the Minister of Consumer Affairs and Environment.

MRS. NEWHOOK: Mr. Speaker, I would like to respond to a question from the hon. the member for the Strait of Belle Isle.

MR. SPEAKER: Order, please! The hon. minister, that will come up in a couple of moments. We are on Presenting Reports by Standing and Special Committees at this stage.

NOTICES OF MOTION

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

MR. N. WINDSOR: Mr. Speaker, I give notice that I will
on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The
Members Of The House Of Assembly Retiring Allowances Act," especially
for the member for LaPoile (Mr. Neary).

SOME HON. MEMBERS: Oh, oh!

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

MR. MARSHALL: Mr. Speaker, on behalf of the Minister
of Industrial Development (Mr. Barry), I give notice that I will on
tomorrow ask leave to introduce a bill entitled, "An Act To Ratify,
Confirm And Adopt An Amending Agreement Entered Into Between The Government
And Burgeo Fish Industries Limited And Others."

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

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

SOME HON. MEMBERS: Hear, hear!

MRS. NEWHOOK: I am sorry, Mr. Speaker, I think I was
a little too anxious.

SOME HON. MEMBERS: Oh, oh!

MRS. NEWHOOK: I would like to respond to the question
from the hon. the member for the Strait of Belle Isle (Mr. Roberts) with
regard to the assessment of the Pola Vault radar site at St. Anthony.

Our official, on November 21st, inspected
the Pola Vault site, accompanied by Mr. Terry Simms and Mr. Thomas Green.

AN HON. MEMBER: (Inaudible).

MRS. NEWHOOK: Yes, two of

MRS. H. NEWHOOK: the town council members. Seven separate areas of the site were inspected. At three of the areas a sample was taken and they are now being shipped to Memorial University for PCB analysis.

There were two transformers found at the site, both damaged to some degree. The ground was sampled in the vicinity of the transformer's pieces. Another known site of transformer storage was sampled also. The derelict buildings housed no transformers. One area was pointed out by the councillors as being the site at which a large number of transformers had been buried a number of years ago when the site was closed but it was not possible to sample in this area because of the presence of a heavy vegetation cover and snow coverage.

At the waterfront there is one transformer, which is unlabelled, on a pole near the water and one leaking on a pole near the Golden Eagle tank farm. They are no longer in service and are near the dock and storage shed used in conjunction with the radar base. Before closure the shed contained some twenty-two litre tins of transformer oil. There are transformers in use at the adjacent MOT facility and there will be a further report when samples taken are analyzed. But there is no definite indication that samples taken contain PCB oil.

I have an answer for the hon. member for LaPoile (Mr. S. Neary) about the disposal sites of the oily debris collected last Summer.

MR. S. NEARY: Will you read that out.

MRS. H. NEWHOOK: Yes. The oily debris collected inside and outside Grand Bruit Harbour were disposed off at Grand Bruit on the East side of the community at the base of Long Point. The debris collected at Petites, LaPoile, Burgeo Harbour, White Bear Bay, Bay de Loup, Dog Cove, Grey River and François were deposited at Burgeo municipal disposal site - I think it is about two kilometers Northwest of the town.

MRS. H. NEWHLOK: The debris collected at two-thirds of Sandbanks Provincial Park was deposited at Burgeo above the high water mark Northwest of Potato Point, in two sites at that point. The debris collected Northeast, one-third of Sandbanks Provincial Park, was deposited at Burgeo above the high water mark at the Northeast end of Sandbanks Park and there were two sites there.

The oil collected at Ramea Harbour and that particular area; this was disposed of at the municipal disposal site adjacent to Ramea. The oil collected at Coombs Cove Harbour was deposited at Coombs Cove municipal disposal site. The oil collected in the vicinity of Harbour Breton area and the recreation beaches; this was disposed of at the Harbour Breton municipal disposal site. The oil collected at Bills Cove and the Southeast end of Black Island Cove was disposed of on the Isthmus between Bills Cove and Black Island Cove. And the oil collected central portion of Black Island Cove was disposed of at Black Island Cove above the high water mark at two sites.

The oil collected at Patrick's Cove and Gooseberry Cove was disposed of at Patrick's Cove garbage dumping site and the oil collected at Point La Haye, St. Stephens, Coote Pond and Holyrood Pond was disposed of at the Gaskiers municipal disposal site.

MPS NEWHOOK: My officials tell me that eighty per cent of all that oily debris collected was disposed of at municipal disposal sites and at the other sites they were all buried with the exception of two and these were the last two disposed of late in November and these will be buried in the near future. And as far as we know we do not think there were any buried at berry sites of any kind unless the berries grew there after they were buried.

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

MR. MARSHALL: Mr. Speaker, I have the response to the question asked by the hon. member for Eagle River (Mr. Hiscock) yesterday. He asked me about the number of crimes that had been committed around the St. John's area for certain specific offences. I have to inform the House that this information is not available. It is not catalogued as to the time when the crimes occur. It is obviously catalogued in their reports themselves but they are not indexed so it is not available. The only thing I can tell the hon. member - and perhaps the other hon. members opposite might relay it to him in his absence, that we have made enquiries of the Royal Canadian Mounted Police and the Royal Newfoundland Constabulary and we have been told that the worst times for crimes, that is the times when there is repetition of crime is between 8:00 P.M. and 2:00 A.M. in the morning. I do not know whether that will serve the hon. member, or not. If he wishes to ask further questions when he comes, based on this response, I will be glad to address myself to them.

ORDERS OF THE DAY

Motion, the hon. the Minister of Justice to introduce a bill, "An Act To Remove Anomalies And Errors In The Statute Law," carried. (Bill No. 71)

On motion, Bill No. 71 read a first time ordered read a second time on tomorrow.

Motion , the hon. the Minister of Justice to introduce a bill, "An Act To Amend The Legal Aid Act, 1975," carried. (Bill No. 67)

On motion, Bill No. 67 read a first time ordered read a second time on tomorrow.

Motion, the hon. the Minister of Finance to introduce a bill, "An Act To Amend The Liquor Control Act, 1973," carried. (Bill No.70)

On motion, Bill No. 70 read a first time ordered read a second time on tomorrow.

Motion, the hon. the Minister of Mines and Energy to introduce a bill, "An Act To Amend The Mineral Act, 1976," carried. (Bill No 69)

On motion, Bill No. 69 read a first time ordered read a second time on tomorrow.

MR. SPEAKER: Order 31, 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." (Bill No.58)

The hon. member for Burin-Placentia West.

MR. HOLLETT: Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. HOLLETT: If I remember correctly, yesterday I ended off my remarks by pointing out the lack of consultation with municipalities in this Province in connection with the proposed bill.

MR. D. HOLLETT: I would like to inform the House that since then I have had some calls and made many myself and to different councils around this Province and some mayors. I asked them their opinion of the Act and to a person the answer was the same, 'We cannot express an opinion on something we do not know about'. Mr. Speaker, I just say that to reinforce the points I was making yesterday in that aspect. Further to this Bill, I found it somewhat enlightening and somewhat dissappointing, at the same time, yesterday, when the hon. members for Stephenville (Mr. Stagg), from Gander (Mrs. Newhook), and from Humber West (Mr. Baird) spoke to the Bill prior to the hon. member for Bay of Islands (Mr. Woodrow). While they were speaking there was only one thing that I could think of, that those representatives now are basically from a town or a city that is reaping all the benefits of a regional government because of their position, their location and their total infrastructure, which brings us into probably one of the more important aspects of this Bill and that is the right of the minister or the right of the Cabinet to impose taxation under many and varied headings here.

Personally I have some grave concerns about this aspect when it comes to small town or rural Newfoundland life. I remember one of the speakers yesterday referred to it as the centralization programme and inferring at least some devastating effects which it had in certain areas. Fortunately, the area I represent, I feel quite proud to say that it did not work in this manner. But the minister knows and many members of this House also know, that the property tax is not necessarily the answer to many small towns in this Province. As a matter of fact, it is on record now that some of those small towns can generate more revenues under the present taxation system or with some variation thereof than even the property tax would because of their location, because of re-sale value, because of values of properties, etcetera. And I am not so sure that the people who live in those towns usually come under two categories; (1) they are dormitory towns or larger towns, or they are isolated or semi-isolated towns and full-time employed as far as climatic conditions will permit

MR. D. HOLLETT: in relation to resource harvesting or resource development or certainly the prime wage earners, the prime producers of our natural resources in this Province. And I think it is incumbent on all of us to encourage those people to have a good life in those towns and in this Province because if we do not - if we are going to harvest our fish catches, if we are going to harvest our wood, if we are going to harvest our minerals, unless there is added incentive for those people to live where they are and be assured that they will have a good future, that their children will have a good school, then if it is not within their own capabilities to generate the type of finances that are required to operate an efficient municipality, it is simply because of numbers and more importantly we all know the numbers game when it comes to property values. In a place like St. John's, probably Marystown, maybe Placentia, Gander, those places, the property values are all equated around (a) the commerce, the services and a dozen other aspects I could mention. And instead of those people, some day and I hope that we always have a minister with good discretion, good common sense, as I think we have right now - certainly my dealings with him has indicated this - that this Act can be a real big whip rather than being an Act to help this Province grow in a mannerly order so that the parents in this Province will feel proud to live in their community and ensure that their children have a decent place to live in.

SOME HON. MEMBERS: Hear, hear!

AN HON. MEMBER: (Inaudible).

MR. D. HOLLETT: Fine, I will repeat it later. No, simply what I was saying, Mr. Minister, was that in conjunction with the property tax aspect, I feel that we all have a responsibility, regardless of where we are from and certainly be led by the Provincial Government, to ensure the people who live in the smaller towns and the .

MR. HOLLETT: more isolated regions are given the type of support that they require to live a happy comfortable life so that they can continue doing as they are now. They are the prime workers or the prime producers of our natural resources, and if they are not given the encouragement and the financial backing in those small councils to know that their town will have a certain level of services, that they will have decent schools, medical services, etc., then they are not going to be very proud for their children to live in that environment and, unfortunately, they will look towards the Ganders and the St. John's and the Burin Peninsula type areas to move to, which in turn, of course, is going to cost this Province and the federal government as well many, many additional dollars to do the same types of things that we are getting done now by willing hands and heads.

The act itself is a major piece of legislation. It is a piece of legislation, Mr. Speaker, that those who have been involved in a municipal movement in this Province for the last fifteen years, for sure, have been asking for, a change from what was the Local Government Act for years and years. This act certainly does correct a lot of the problems. However, I think we have to remember one thing and this act does overlook it to a certain extent, or in the interpretation of certain divisions, which we will speak to individually later, that the whole municipal movement in this Province is built on the good will of volunteers, with the exception of the cities of St. John's and Corner Brook. I think that all municipal councillors in this Province are volunteers. They could always be paid with permission of the minister, which was never granted and probably in his wisdom it was not granted simply because there were municipalities that could afford to pay and others that could not.

However, this particular act once again I think discourages, or will discourage, in my opinion, people in the smaller towns, once again, acting on councils, simply because, whether fact or otherwise, you know, people will believe that down the road it is the imposition of the property tax. The act does not spell that out

MR. HOLLETT: specifically, but it does give the minister, or I should say the Cabinet, the latitude to enforce a form of regional government whether it is the will of the people or otherwise, on certain areas which cannot pay certain bills, which cannot come up with their end of the money for water systems, and many other things. And without the proper educational process in place, without the proper consultation, I am definitely afraid that there will be a lot of small towns, and some large towns, that are going to find it very difficult to have people to enter their names into nomination for elections. Because I think we have to remember that a lot of the volunteers that we have are not lawyers, they are not accountants, they are people who out of the good will of their hearts with an honest desire to serve this Province, not just their community, are doing the best they can. And unless they know for sure what they are getting into, I feel they are going to be negative and say, "Well, let somebody else do it and I will sit back and see what is going to happen." I have had that on two occasions and I certainly did not solicit it and I think my record is quite clear in relation to the support of municipal government down over the years.

The property tax aspect of it, itself, is good and bad. It depends where you live once again. Because what has happened in this Province, and I think we will all agree, at least on this one point, that if you take this Province now, basically, I would suggest well in excess of seventy per cent of the population are living in some sort of a regional complex, commercially, industrially, educationally, health, and otherwise and so far it has worked good on the basis it is. But what has happened is that the big towns or the centres gets larger simply because they were the one with the property tax, they are the ones that bring in - Gander will bring in from Hare Bay and elsewhere. Marystown will bring in a large portion to the Burin Peninsula. Corner Brook does it. Port aux Basques does it. But the fact remains, then, because this has been

MR. HOLLETT: an ongoing thing and the base is in there,
then it also means that the environs, the smaller towns within that
particular region of service, they have less to base a property tax on.
This concerns me to no great end. I mean if you want to look at, say,
Port au Bras or Mortier, or Fox Cove on the Burin Peninsula

Mr. Hollert: with the imposition of the property tax there, unless there are exceptionally high assessment or exceptionally high mil rates, there is no way that those towns will generate with their limited population, the type of funds required so that those people can live in relative comfort with basic services within their towns.

Now, I think, that applies, Mr. Speaker, to just about anywhere in this Province. Now, by choice or because of financial restraints or because of just a futuristic look at a way of life that a family would like to have, a lot of those people have built in those areas. A lot of people have retired and moved into some of the smaller places. And what frightens me to a great extent, is the job of the assessor in all of this. I have had considerable experience with them. And if there are two properties sold, once again in Port au Bras, over the last three years, and there were two better properties, you know, the values were up here, unless there is an average taken - and I also know that the minister is going to have a big job on his hands, simply because of the lack of qualified assessors in this Province, I would suggest, Mr. Minister, for years to come, before it is all done.

Then the quality and the fairmindedness of those assessors are either going to do one of two things, in the larger towns more so than the small ones, and that is, there is going to be one royal outbreak or the people will be submissive and accept. I suggest that unless this is handled very, very carefully then the former will happen and not the latter.

And, Mr. Speaker, also when speaking of small towns, I have already said, as you know, three of the four speakers yesterday, and it was quite noteworthy to me when the member for Bay of Islands (Mr. Woodrow) spoke, he had some reservations, not necessarily in a lot of the Act, but, I think, some of the same points that I am making or trying to make. I am looking forward to the member for Fortune - Hermitage (Mr. Tulk), if and when he comes back to this House, to speak

Mr. Hollett: on this bill. I know his riding well. I am looking forward to the member for Placentia (Mr. Patterson) to speak on this bill, and many others.

Now, Mr. Speaker, I would suggest that, it is almost incumbent on anything that is going to have such long-term effects or ramifications to the whole future of this Province regardless of where we all live, I think everybody should express his orphans on the bill in a general sense, if possible, plus any division in this bill that he has particular hangups with. I think here in the House to a certain extent, I think that the press itself is being derelict in not promoting this bill with full intent and with factual findings. Because there has not been, in my opinion, another piece of legislation brought up in this House for many years, and I will predict right now, Mr. Speaker, that there will not be a piece that is going to profoundly affect the Newfoundland way of life in the years to come as this bill will when totally implemented. I am not saying it is good or bad, the way of life that this will encourage us into, I will not say force upon us, but I am definitely scared of the volunteer aspect of municipal government in this Province which we all know has been the backbone. I am definitely scared that in the smaller towns and regions we are not going to get the calibre, at least, of councillor that we deserve or the people within their own town certainly deserves.

SOME HON. MEMBERS: Hear, hear!

MR. HOLLETT: I am definitely afraid of how regional government will be implemented. Because as we know, this Act is not exemplary the Whelan Commission Report, as it was originally conceived and the input made by the municipalities in this Province.

AN HON. MEMBER: (Inaudible).

MR. HOLLETT: To a certain extent, yes. But the type of regional government that was conceived, you know, to look at the Burin Peninsula, to ask for a trial regional government system to be set up some -what - seven or eight years ago, just to see if it would work as a model type to use in the rest of the Province. This Act

Mr. Hollett: here allows one the latitude to do it but unfortunately, without agreement by the people it can still be imposed by the Cabinet. I am not sure I like that, Mr. Speaker.

I do not like to think that I live in a region of this Province or in this country when a government, any government, can take unilateral rights and force upon me

MR. HOLLETT: a type of local government which I do not want. We all accept the provincial level. I think we all accept the federal level. But certainly when we get down to the municipal level, it can be done by legislation or by Cabinet decision, then what is the next step? We have to stop somewhere. I will suggest to this House right now, that if it ever comes to that stage, that there are going to be a lot of people in this Province royally upset and they are going to demand change and we all know where that will come from.

Personally, I do not want to see it come to that. I, for one, am quite willing to work with anybody who cares to implement any improvements into the municipal way of life in this Province. I said this before and I will say it publicly now. However, I do have reservations on this. I will express them in division in future and, hopefully, anything there that is going to be detrimental to the way of life in Newfoundland, certainly I think it should be lifted or changed.

Thank you very much.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Baird):

The hon. the member for

Placentia.

MR. PATTERSON:

Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. PATTERSON:

I should like to make a few remarks with regard to this bill. First and foremost I should like to say that I am supporting this bill.

AN HON. MEMBER:

(inaudible) partially.

MR. PATTERSON:

No, wholeheartedly, 100 per cent.

SOME HON. MEMBERS:

Oh, oh!

MR. PATTERSON:

No, I am prepared to entertain questions. I come from a district, from an area in a district that is in one hell of a mess because of the Liberal Administration.

SOME HON. MEMBERS:

Oh, oh!

AN HON. MEMBER:

(inaudible) after ten years

AN HON. MEMBER: of Tory administration.

MR. STIRLING: Would the member permit a question?

MR. PATTERSON: Yes. Yes, go ahead.

MR. STIRLING: Would the member agree to give the Cabinet the same authority that it is given in this act if there were a Liberal government in power?

AN HON. MEMBER: Hear, hear! As there will be.

MR. PATTERSON: It will never happen. I will never live long enough. You will be tripping in your whiskers

AN HON. MEMBER: I do not know how long the hon. member plans to live, but I hope he lives that long.

MR. PATTERSON: We started out with local government in 1945 and since then we have been paying property tax.

AN HON. MEMBER: Proper thing. If the hon. gentleman wants to pay it, let him.

MR. PATTERSON: Tomorrow, if we demand the services which we are demanding, water, sewer services, lights, garbage collection, stadiums, ball parks, swimming pools, you name it, we have to pay for it.

AN HON. MEMBER: Proper thing. (inaudible prepared (inaudible) pay for all.

MR. PATTERSON: That is right, we always have been paying for all.

AN HON. MEMBER: (inaudible) question (inaudible)?

MR. PATTERSON: I will get to your question when I try to decipher the way it is phrased. I do not understand it.

So we started out there with four towns, Dunville, Jerseyville, Placentia and Freshwater and we were working along nicely. But the member for the district at that time, being a Liberal, he thought that was too good, he thought that things were functioning and he wanted to get in there and cause turmoil and confusion and dissent among the people so he took

MR. PATTERSON: Dunville out and he set up the Mayor in Dunville as a tool for the Liberal Party. Then he went down to Jersey side -

AN HON. MEMBER: (inaudible)

MR. PATTERSON: No, Greg Power.

SOME HON. MEMBERS: Oh, oh!

MR. PATTERSON: The hon. Dr. Frecker condoned everything that was done in that district.

AN HON. MEMBER: Dr. Frecker is not around to strike back.

MR. PATTERSON: I am not saying he is around or he is not around. You are looking for questions. You ask me the questions and I will give you the answers.

SOME HON. MEMBERS: Hear, hear!

MR. ROBERTS: Mr. Speaker, with all due respect, Sir, it is not a frivolous question. The hon. gentleman certainly can state his view and I, for one, respect it and will listen to it, but I know he would be the very first to say that he does not intend to attack a man such as Dr. Frecker. By all means criticize Dr. Frecker's actions as a public man. If that is the way the hon. gentleman wishes, let him be. The hon. gentleman went up against Dr. Frecker a number of times and the people ruled on that and so that speaks for itself too.

MR. PATTERSON: (Inaudible).

MR. ROBERTS: Mr. Speaker, that is just the sort of thing we do not need in this House. Alain Frecker deserves better of this House than to have that sort of stuff come out of any hon. member.

MR. PATTERSON: I am not talking about Dr. Frecker.

MR. SPEAKER: Order, please!

MR. PATTERSON: You asked me a question.

MR. ROBERTS: He deserves better, Sir.

MR. PATTERSON: You wanted to know who the member was (inaudible).

MR. ROBERTS: I asked who the member was -

MR. PATTERSON: And you got your answer.

MR. ROBERTS: Mr. Speaker.

MR. SPEAKER(Baird): Order, please!

MR. ROBERTS: Mr. Speaker, I say it is a breach of the orders of this House, Sir, and a breach of the privilege of every Newfoundlander for any hon. gentleman to malign a man -

AN HON. MEMBER: Trash! Garbage!

MRS. NEWHOOK: He was maligning his actions.

MR. ROBERTS: No, he is not maligning his actions, he is over there accusing the man of criminal conduct and of everything else.

MR. PATTERSON: I did not accuse him of -

MR. ROBERTS: I will not stand for it, Alain Frecker deserves better of this House than that.

MR. SPEAKER: Order, please!

MR. MORGAN: State your point of order.

What is your point of order?

MR. ROBERTS: Mr. Speaker, I do not take my lectures from the gentleman from Bonavista South (Mr. Morgan) on a

MR. ROBERTS: point of order. I say, Sir,
that the hon. gentleman from Placentia East (Mr. Patterson), or
Placentia wherever - the hon. member who is speaking, the -

MR. PATTERSON: You know nothing outside
St. John's.

MR. SPEAKER(Baird): Order, please!

MR. ROBERTS: - the hon. member for
Placentia (Mr. Patterson), who has been elected twice in nine
tries -

MR. PATTERSON: And will be elected again.

MR. ROBERTS: We will see about that.

MR. PATTERSON: You put your foot in (inaudible)

MR. ROBERTS: I have been elected five times
in five tries. Not bad!

AN HON. MEMBER: (inaudible) if you have a
point of order, make it.

MR. ROBERTS: Now, Mr. Speaker, my point of
order is simply I will say to the hon. gentleman that it is a breach
of the order and the privilege of this House for him to malign any
person who is not here and, in particular, to malign a person of the
calibre of Dr. Alain Frecker. Equally, to malign Mr. Greg Power,
but at least Mr. Power is alive and can speak for himself and I have
no doubt he will. Let the hon. gentleman state his position in this
bill, Sir, without maligning those who are dead and beyond any
ability to defend themselves.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Mr. Speaker, that is a very
dramatic point of order. You can get up and you can make your case
along the lines that the hon. gentleman made, with a great deal of
emotion and what have you. The hon. gentleman for Placentia has -

MR. ROBERTS: (Inaudible)

MR. MARSHALL: If the hon. gentleman would
permit me -

MR. SPEAKER: Order, please!

MR. MARSHALL: I permitted him -

MR. MARSHALL: - the hon. gentleman for
placentia (Mr. Patterson) has not maligned any person, least of
all Dr. Frecker.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: It is not in the nature of
the hon. gentleman to malign people like Dr. Frecker who is a
distinguished citizen of Newfoundland. There was nothing whatsoever
in his words that did and I think the hon. member opposite rose
on a point of order and really got carried away -

MR. CARTER: Persecution complex.

MR. MARSHALL: - with his own emotional
speech and I think that his own emotional speech, itself, is really
contributing to a certain amount of disorder in the House itself.

MR. ROBERTS: Mr. Speaker, on a point of
order (inaudible).

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: To another point of order,
Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: To another point of order, Sir.

MR. SPEAKER (BAIRD): Order, please!

MR. MORGAN: There is no point of order, Mr.
Speaker.

MR. ROBERTS: Mr. Speaker, I raise a point of
privilege, Sir.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: I have learned from the
hon. gentleman what was said. I simply want to say, Mr. Speaker, that
the hon. member for St. John's East (Mr. Marshall), I am sure
unwittingly, breached my privileges and the privileges of any member
in the House in imputing motives to me as he did in the concluding
remarks of his particular remarks on the point of order. I am sure he
did not mean that. If he did, Sir, that is a breach of the privileges
of this House and I would ask Your Honour to take the appropriate
action. No member, as Your Honour is aware, has any right to impute

MR. ROBERTS: the motives of any other hon.
member whether he agrees or not with what the other hon. member says.

MR. MARSHALL: Mr. Speaker, you know, we
can carry this on to heights of absurdity. This member was not
imputing the motives of anybody. The point that I was bringing out
when I was speaking was neither did the hon. the member for Placentia.

The hon. former member for
Placentia East (Dr. Frecker) was a very decent individual, a very
respected individual but so, Mr. Speaker, is the present member for
Placentia (Mr. Patterson) himself, equally.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: So I suggest we proceed with
the debate.

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

AN HON. MEMBER: South.

MR. SPEAKER: Are you speaking on the point
of order?

MR. MORGAN: Yes, Mr. Speaker. The -

AN HON. MEMBER: On a point of order.

MR. MORGAN: I am on a point of order, Mr.
Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: The hon. the member for
Bonavista South has been recognized.

MR. MORGAN: Mr. Speaker, in listening to
the debate in the House and the point raised as a point of order by
the Opposition House Leader (Mr. Roberts), my hon. colleague here
was standing making a speech in the House and he was interferred with
on a number of occasions by the same hon. gentleman who rose on a
point of order. He was interferred with the speech being made by my
colleague and in doing so kept asking questions. My hon. colleague
merely answered a question and by answering a question he feels that
there is a point of order, that innuendo has been cast on an individual.

Mr. Speaker, there is no point

MR. MORGAN: of order, in my opinion, based on the fact that if there is a point of order, it is a point of order in connection with interfering in a debate in the House in the way that the hon. gentleman from the Strait of Belle Isle (Mr. Roberts) is doing continuously in the House.

MR. ROBERTS: Mr. Speaker, if I may say a word on that matter. I simply want to say that I was asking questions, of course, of the hon. gentleman for placentia, and as was his right - or, he did not insist upon having the floor uninterrupted. In fact, the hon. gentleman was kind enough to answer the questions.

MR. ROBERTS: He did not complain, so there is certainly nothing of any merit in what the gentleman from Bonavista South (Mr. Morgan) had to say in his intervention, which was of the usual nature from him, a self-confessed lawbreaker.

But, Mr. Speaker, the point was, what the hon. gentleman from Placentia (Mr. Patterson) said, Mr. Speaker, is on the record of Hansard and it will speak for itself.

MR. MORGAN: A point of personal privilege, Mr. Speaker.

MR. ROBERTS: Yes, Sir.

MR. MORGAN: Mr. Speaker, the hon. gentleman just stood in his place, and I quote, referring to me, that I was a 'confessed lawbreaker'.

MR. ROBERTS: Self-confessed.

MR. MORGAN: A self-confessed lawbreaker. Mr. Speaker, that is a very serious charge and because it is incorrect and untrue, then I would ask the Chair to rule that the hon. the member for the Strait of Belle Isle (Mr. Roberts) be asked to retract that statement.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: Mr. Speaker, if Your Honour rules I should withdraw, I will, but I would say that that statement is true. The hon. gentleman, Sir, said before the Public Accounts Committee of this Province, a body of this House, that he had broken the Public Tendering Act, but he then pleaded in his defence that he had done it with the permission of the Cabinet of the day, of which he was a part. He admitted, Sir, he had -

SOME HON. MEMBERS: Order!

MR. ROBERTS: Mr. Speaker, if Your Honour calls me to order, of course, but not hon. gentlemen opposite.

MR. SPEAKER: (Baird) Order, please!

I think we are getting away from the subject now. We will take a five minute recess and we will get this straightened out.

RECESS

MR. SPEAKER: (Baird)

Order, please!

With regard to the point of privilege raised by the hon. the member for Bonavista South (Mr. Morgan), I rule the words 'self-confessed lawbreaker' are unparliamentary and ask the hon. the member for the Strait of Belle Isle (Mr. Roberts) to withdraw this comment.

SOME HON. MEMBERS:

Hear, hear!

MR. ROBERTS:

Mr. Speaker, I do so without any reservation or qualification, of course, in response to Your Honour's ruling.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

With reference to the point of privilege raised by the member for the Strait of Belle Isle, I rule that this was clearly a difference of opinion between two hon. members.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

On the original point of order raised by the hon. the member for the Strait of Belle Isle, I would rule there was no point of order, but there was a degree of irrelevancy and I would ask the hon. the member for Placentia (Mr. Patterson) to continue with his remarks and keep them to Bill No. 58.

SOME HON. MEMBERS:

Hear, hear!

MR. PATTERSON:

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

The member has the right to be heard in silence.

MR. PATTERSON:

I would like to get this into the record, that I did not at any time say one word, one syllable, that was derogatory regarding Dr. Frecker.

SOME HON. MEMBERS:

Hear, hear!

MR. PATTERSON:

I was asked, 'Who was the member at the time?' I said, 'Greg Power.' And then I think the Leader

MR. PATTERSON: said, 'I was thinking it was not Dr. Frecker,' or something like that. Dr. Frecker was a great gentleman, a great friend of mine.

SOME HON. MEMBERS: Hear, hear!

MR. PATTERSON: The only thing that I disliked about him was his company, his political company.

SOME HON. MEMBERS: Oh, oh!

MR. PATTERSON: I could not do a thing about that.

AN HON. MEMBER: (Inaudible).

MR. PATTERSON: By a very slight margin in one election that cost this government \$1,700,000.

AN HON. MEMBER: (Inaudible).

MR. PATTERSON: We had a company formed - we raised \$600,000,

MR. PATTERSON: we were going to build the Placentia LIP bridge and Doctor Smallwood and a few more of his cronies formed a Crown Corporation, came in, and built the bridge. It was going to be a toll bridge when they ran it through the legislature here. You can get records from the Evening Telegram where an editorial was written on it. It was going to be a toll bridge. It was not going to cost the Province of Newfoundland one penny but when it was finished what happened? Free bridge. \$1,700,000. We would have built the bridge - we had an agreement to give the bridge back to the town council after ten years.

AN HON. MEMBER: 1956?

MR. PATTERSON: No, 1959, the first year I ran. Just by the skin of their teeth they won. 230 votes. \$1,700,000 and thousands of dollars worth of liquor.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: (Simms) Order, please!

MR. PATTERSON: And that was the time that they announced the quartz mine down there. This is all dealing with the municipalities and the industries that were set up to support the municipalities. And the Premier of that day was shouting about the quartz and the quartz and the quartz and they were beginning to believe that he was talking about forty ounces of dashing Johnnie Walker or stately Captain Morgan but they found out they did not get either the quartz or anything else pertaining to it.

AN HON. MEMBER: That was a bad point to make.

MR. PATTERSON: That was a very bad one to make. But what I was referring to there in the beginning was the municipal government in that particular area. We started out with one town, Dunville, Placentia, Freshwater and Dunville.

AN HON. MEMBER: Four of them.

MR. PATTERSON: Jerseyside. Four towns.

AN HON. MEMBER: Four councils.

MR. PATTERSON: But one council was a regional council.

MR. PATTERSON: and it worked real well with representatives from all the towns.

MR. ROBERTS: When was that?

MR. PATTERSON: That was in 1945.

MR. ROBERTS: And when was it changed?

MR. PATTERSON: That was changed in 1950.

MR. ROBERTS: (Inaudible)

MR. PATTERSON: Yes. 1951. It was a good political move to set up cells like they do in Russia, little communist cells to get a mayor in Jerseyside and a mayor in Placentia and one in Freshwater and one in Dunville. I lost five elections because I supported the amalgamation and for no other reason. I believe today that those towns should be consolidated. It is ridiculous to think we have four mayors and thirty councillors for 8,000 law-abiding, god fearing, peace loving, individuals down in that far greater Bay.

SOME HON. MEMBERS: Hear, hear!

MR. PATTERSON: So we have a property tax down there and I have not had any complaints from the councils. They are anxious to get together now and in January the minister has a meeting set up there with the four councils to discuss the possibility of amalgamation. I think it will be a good thing and I think it is a thing that is long overdue.

MR. ROBERTS: Inaudible.

MR. PATTERSON: And this is voluntary because they have approached him and I have in no way encouraged them apart from letters I used to write to the press one time on that particular place.

AN HON. MEMBER: Inaudible. Bill Hogan

MR. PATTERSON: Bill Hogan is one of the prime movers of that, Bill is a great friend of mine, a fine gentleman and he too has one fault, and he is a liberal -

MR. PATTERSON: Apart from that Bill is a gentleman.

MR. NEARY: He took me for a ride in your old car down there one time. (Inaudible)

MR. PATTERSON: That was the year I got elected, I was staying with you so that possibly brought about the election. I do not think that in any way that once this bill becomes law, I do not think we are going to have any trouble with it. I honestly do not see any problems

MR. PATTERSON:

with this bill.

MR. STIRLING:

(Inaudible) answer my question?

MR. PATTERSON:

I think the hon. member for Bonavista North (Mr. Stirling) is somewhat disturbed over a few things pertaining to that bill, whether the power lies in this legislature or whether it is with the minister, I am sure there is no Minister of Municipal Affairs today or ever will be who would try and assess property beyond its real value, there would be a revolt. And that is why we are here today. People did not like your policies, you were negative, you were running away from the issues, you were camouflaging yourselves, you were hiding under the bushes so to speak. Now we have a government here that is coming in with strong progressive legislation that is long overdue and I wish the government all the luck in the world with these programs. I do not see any fear of the growth of a community being retarded because of this legislation. People are well aware they have to pay taxes, they are willing to pay taxes but what they are not willing to pay taxes for, is if they are not getting the services.

MR. STIRLING:

People are not willing to pay taxes. They spend all their time trying to avoid paying taxes.

MR. PATTERSON:

Yes, but they want the service.

MR. THOMS:

Putting loopholes in the Income Tax Act.

MR. PATTERSON:

Why should Burin pay for services, you know, in Placentia? It will never reach a point where Placentia will be able to amortize a \$1 million water system.

MR. NEARY:

Well, sure, you have a \$1 million sewer line down there that has never been used yet.

MR. PATTERSON:

That is correct. That is in court.

MR. NEARY:

That is the policy of that government.

MR. PATTERSON:

No, that is not the policy of the government.

MR. NEARY:

Yes.

MR. PATTERSON:

No, that is not the policy of the government. That sewerage system was set up when the Liberals were in there.

MR. NEARY:

No, it was not.

MR. PATTERSON:

Oh guaranteed. Oh my son I can bring you papers to prove that. Now, if a contractor went in there and did a poor job, that is not the fault of the government. It is certainly not the fault of the government because Dart Construction went in there and gave them the dart.

SOME HON. MEMBERS:

Hear, hear!

MR. PATTERSON:

You cannot blame the Minister of Municipal Affairs (Mr. Windsor) for that one. But that is in court now and hopefully we are going to win the case and everything will be okay within a short while.

AN HON. MEMBER:

A good legal counsellor involved in it.

MR. PATTERSON:

Excellent legal counsel. Excellent.

So, Mr. Speaker, I think there are others.

They wasted a lot of my time here today with their points of order, but you know I can see now why the -

MR. ROBERTS:

We will give leave to the hon. gentleman to carry on if he wishes.

MR. PATTERSON: No, I will use it another time, thank you.

I can see now why the House Leader on the opposite side is not the Premier of Newfoundland. It is simple to see that.

MR. ROBERTS: (inaudible) the hon. gentleman only sees simple things.

MR. PATTERSON: Well, I am looking at simple things and I reflect.

SOME HON. MEMBERS: Hear, hear!

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

MR. PATTERSON: That is all, Mr. Speaker. I think you can go on to the next speaker.

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

MR. FLIGHT: Thank you, Mr. Speaker. It is obvious that is going to be a hard act to follow.

I want to have a few words to say about Bill No. 58, Mr. Speaker. I have had some experience over the years with municipal politics, having served as a councillor and having served for seven years in town management. I have listened to the debate so far, and there have been some good things said about the bill. I recognize the good things about the bill, but I also recognize the crapola, the nonsense that is coming from the other side, in supporting this bill. It is unbelievable, Mr. Speaker. I have had a great deal of respect for, for instance, some of the ex-mayors in this Province who are now members of the front bench in that government, and I have to comment, while it is still in my mind, on some of the comments made by the Minister of Consumer Affairs and Environment (Mrs. Newhook). While I have a great deal of respect for her knowledge in municipal affairs, I cannot believe some of the arguments she puts forward in defending this bill. I would like to hear that hon. lady go into Benton and make the same arguments, tell the people of Benton how this bill is going to benefit them in the sense that Gander has benefited with a property tax. Here you have a town, the only town in Newfoundland with a surplus capital budget. Here you have a town with every government

MR. FLIGHT: agency - federal, provincial, crown corporation - pouring it in. Here you have a town that, regardless of what heads of industry decide to locate in the Central Newfoundland area, wants to go to Gander, and I will guarantee you, Mr. Speaker, that if Benton ever wants to get the level of services that Gander has their mill rate will be a hell of a lot higher than Gander's is.

MR. NEARY: You understand, of course, that the federal government built Gander.

MR. FLIGHT: Mr. Speaker, the minister in defending this act said that this will only come into effect - 'Do not worry about it, it will take five or six or even ten years for this to come into effect in the smaller communities.' Hogwash, Mr. Speaker! The day that this bill is proclaimed, every community in Newfoundland that has a water and sewerage system will be hit with a property tax, and they will be hit with a property tax at the level the minister indicates, as well. Mr. Speaker, you know the purpose of this bill is for the minister to do by legislation - to give the minister clout that he could not accomplish by co-operation, the spirit of co-operation, with the town councils. The minister did not need legislation to impose a property tax on every community in this Province, the legislation exists. The problem is that the minister and his predecessors have not been able to convince the various municipalities across this Province to implement a property tax. He has not been able to do it, and I can tell you why, maybe, he has not been able to do it. In 1971, the minister's predecessor said, "We are going to move water rates in this Province to \$12 a month. Whether the towns like it or lump it, we are going to do that." And they proceeded along doing it, but now here is the catch. Not one dollar of that extra tax increase

MR. G. FLIGHT:

has benefited those towns because every town in Newfoundland when this administration, or every town which has got a water and sewerage system, when this administration came to power was in debt by way of bond issues and there is no way that a town of 400 or 500 people can collect enough money by water rates or any other kind of taxes to pay their debenture charges, pay their interest. So what does this administration do? They have authorized the Municipal Finance Corporation to intercept all revenue grants going out to the communities that cannot meet their own debenture charges. And, Mr. Speaker, not one municipal tax increase in this Province have benefited one community which has been in debt by way of municipal funding. So why should the Council of Millertown impose a property tax when, for the past three years, they have tripled their taxes? Every time they came to this minister or his predecessor the now Premier, for any service whatsoever, for any extension, for any improvement, they were told, "Yes, you go back and raise your taxes by three dollars per month until you get it up to twelve dollars and maybe we will look at doing that". But the dollars they collected never benefited the town by one iota because the Department of Municipal Affairs, with the minister's co-operation and assistance, was intercepting their municipal grants. So, Mr. Speaker, under those circumstances why should a town council look at imposing on their people a property tax that they know will have no effect whatsoever on improving the level of services or extending the services in that town, that any increased revenue collected by way of property tax will be intercepted to pay of debt charges? Well, let us call a spade a spade, let us tell the people what this act is going to accomplish.

The message that the minister and all the people who spoke from that side, anyway, is trying to get across to the people of this Province is, 'Go with a property tax and you will be better off in your communities, you will have more

MR. G. FLIGHT: money to apply to community servicing! And that is a lot of hogwash! What this act is doing is forcing the communities to pay their present debts, to get the Province out of funding a basic essential service - water and sewer.

Now, Mr. Speaker, it is nonsense to say that any community in this Province that has already got a system or one that wants one will ever generate enough revenue, I do not care what the level of taxation is, will ever generate enough revenue to pay the debenture charges, the interest rates. And while there is an interest rate outstanding any property tax collected is going to be applied to that debenture. Towns with existing services, which are now being subsidized by \$30,000 or \$40,000 or \$50,000 a year in interest charges, not in town administration, will find that the extra revenue that they raise under property tax assessment will go to the paying off of those debentures and they will not be in any better position today to improve their town facilities than they were five years ago without this particular act. And I can see all kinds of reasons why they will resent it. I see nothing in this and the minister might as well get ready for it, I see nothing in this that tells us how the minister will react or deal with a council that refuses, categorically refuses, to impose a property tax. And I can name councils in this Province right now that are sitting back and saying, "Come on with it, what happens when we say no". and there are going to be literally hundreds, there are 309 communities, incorporated communities in this Province.

The minister says the Federation of Municipalities supports the Bill. He forgot to say that only 184 councils in this Province today are members of that federation. So they are not speaking for everybody in the Province, they are not speaking for every municipality. Mr. Speaker, how can a municipality which this present minister rejected - coming to them for funding to upgrade roads in their communities looking for a measly \$6,000 under a 60/40 proposition, meaning that the town would only have to come up with \$2,000, the Province come up with \$4,000 and that minister and his Cabinet rejected that kind of

MR. G. FLIGHT: funding for any community in this Province, a community whose roads were breaking down, that if they were not fixed up the investment already put in would be lost and the minister had his officials write back and say, 'No, you cannot afford as a town to come up with your own \$2,000'. Is the minister going to tell that town if you put in a property tax that you will then be able to come up with the \$2,000, a community with ninety people?

Mr. Speaker, the speakers want to project this Bill as the panacea for all town councils. Now, the fact is, I know of councils in this Province that have a property

MR. G. FLIGHT: and they are bankrupt, totally and completely bankrupt and the minister knows it. He tells that particular council or he wants the message to get out, that under this legislation there will be another \$70,000 or \$80,000 a year available to you. There will not be another \$70,000 or \$80,000 available, all that will be available is that extra \$70,000 or \$80,000 will be intercepted by Municipal Affairs to apply against the \$150,000 or \$200,000 interest rates that that town already owes and the town will continue stagnant. The minister is going to accomplish with this Bill what the Premier - and I think this has already been said in debate - during the campaign we just came through four months ago, there was a commitment there would be no tax increases in this Province. Well, the minister is about to accomplish by the backdoor what he is not prepared to do through the front door. Because by the time this legislation is implemented properly, practically every taxpayer in this Province will be affected by this legislation and there is no God's way that you could increase income tax to a point that will mean as much revenue as this will. One of the biggest expenditures this Province has today is the Department of Municipal Affairs, revenue grants, debt funding one of the biggest expenditure drains on this Province and the minister has found a way to sock it to the people who can afford less, the people in the smaller communities.

Mr. Speaker, there is a certain clause in that Bill I would like to have the minister explain when he gets up to close this debate, clause 129. Now, every community that has a property tax in this Province today has also got a water rate, most every one and the maximum water rate at this point is twelve dollars per month, the minimum and maximum. Any communities that have a property tax has not a water rate more than twelve dollars. Why the minister would want to put this clause in the Bill and if this should not frighten the living daylights out of every municipal taxpayer in this Province then I do not know what it should do. Clause 129: "where the real property tax is imposed in any community", and that is every community in Newfoundland that has a

MR. G. FLIGHT: water and sewerage system where the real property tax is imposed, "the water and sewerage tax will be set as a percentage of the assessed value of the real property". Now 'will be' not 'may be'! So what we are going to be looking at is this; that a community where a person's property is assessed at \$50,000 and we have a ten mil rate, real property tax, that is \$500 in real property tax and under this legislation that council can then say, 'we are also going to have a ten mil rate water and sewerage tax'. Read the legislation, Mr. Minister! Under the legislation you can get a town council saying, 'Now'. We intend to have another \$200 now so we will set our water and sewerage tax at five mils or six mils or ten mils and if that town is bankrupt, if that town is in the position that some of the towns in my district are in, where every time the councillors come to the minister looking for some way out of the financial bind they are in he has insisted they go back and raise their tax. I can see that minister saying, 'Well, look your water and sewer mil rate is only half a per cent', To quote the Minister of Finance, 'Let us get it up to 3 per cent! There is no way! That clause, it is unreal! Why? Let me ask the members on the other side of the House why it is that a community they are representing is prepared to accept a tax load of a property tax that will jump their tax from what they are paying now \$144 a year maybe, to \$300 or \$400? Why are they prepared to subject why are they prepared to subject the people living in those communities to the whims of a councillors or the pressure of a minister who might browbeat a council into saying, "Let us get your water rate and sewer rate on a real property tax assessment basis'. Why? Why is the clause there if the minister is not going to use it? Did the municipalities request it? Did the Federation request that clause you put in? I know some members on the Federation who did not even know that clause was there and, as a matter of fact, in the last couple of days have gone to the minister and asked that that clause be deleted.

MR. N. WINDSOR: Did you say they came to me in the last couple of days?

MR. G. FLIGHT:

In the process of getting to the minister, yes. Yes, the federation. Mr. Speaker, why is it that we have to say that the St. John's of Newfoundland, the Grand Falls' of Newfoundland, the Stephenville's, the Corner Brook's and the Gander's if this Bill goes through we will have - I have heard the phrase here today - I have heard some references these past two days to resettlement. Now, you will recall that in resettlement there were growth areas, various towns around this Province. Well, this Act will set up, Mr. Speaker, four or five communities in this Province which will be the industrial centres of commerce in this Province. When Benton, in the hon. member for Gander's district (Mrs. Newhook), gets into a property tax, which they will be forced to do now under this legislation, their property assessment will have to be so high that there is no way, Mr. Speaker, that any person considering moving into the Central Newfoundland area wanting to establish a business and faced with the kind of assessment that is going to have to be applied to them in Benton they will choose Gander. And what will happen, Mr. Speaker, - here is something else this Bill will do for the minister too - that at some time when the Benton town council gets in trouble and cannot meet their commitments he will suggest to them, Sir, 'well, look, why do you not become part of a regional government with Gander calling the shots'? And the Benton's and all of the small communities close to the larger centres of this Province will become dormitory towns for residential purposes, ghettos for the major towns, like Gander, like Grand Falls. Listen to the minister talking about regional government, where has he been these past six years?

Mr. Flight: His administration in 1972, recommended to this Province, recommended to that government that there be an amalgamation done in this Province. It would have served a great deal of good. The Patterson Report - the Patterson Report -

AN HCN. MEMBER: He was in favour of it.

MR. FLIGHT: Yes, the minister might have been in favour but he never had the guts to implement it. He may have been in favour of it, but he did not want to talk about it while he was the minister. And I am in favour of it.

MR. DINN: The minister wanted to make Windsor equal to (Inaudible).

MR. FLIGHT: Yes, I can see the way the minister is making equal -

MR. DINN: (Inaudible) regional water system and everything -

MR. FLIGHT: Yes. I see the way the minister is making Windsor equal to Grand Falls. I have seen this past four years how the minister has made them equal. He is making sure, Mr. Speaker, this administration is making sure that the gap gets wider all of the time. Why does not the minister stand up and explain why it is that Newfoundland and Labrador Housing went into Windsor four years ago and serviced ninety lots, and they are selling for somewhere between \$9,000 to \$10,000 to \$11,000 a lot depending on the size of the lot, and not one has been sold yet, not one. And why is it the three commercial developers in Grand Falls are servicing lots and they are selling them before they even get them serviced? Has the minister's attitude towards Windsor got anything to do with that I wonder? His refusal to accept the fact that they need a tax base? His refusal to accept the fact that they need their municipal debts consolidated? That they need to have their municipal services upgraded so as to put them in a position to talk to Grand Falls with some basis of sense. Why does not the minister get up and tell the truth about Windsor?

MR. WINDSOR: Sit down and I will get up and tell you all about it.

MR. FLIGHT: Mr. Speaker, this Act is not going to be accepted. This Act will not be accepted by rural Newfoundland. There

Mr. Flight: will be more towns - I am interested in having the minister tell us what he is going to do when the town of - any town, it does not matter - says, "No we are not going to apply that Act. We are not accepting property assessment."

We will not have any councillors. What will the minister do then? Does the minister use the clout of the Act then? Maybe that is what he is looking for, maybe he wants to get into a situation where councils are saying, no we are not prepared to operate under this Act. We are not prepared to impose property tax. And if the minister wants to say, "Well, okay then, I will use the force of the Act and appoint a Board of Trustees". But he has left the Board of Trustees in place for eight or nine years, since 1971.

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: I am going to vote against this Act.

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: Oh, yes, the member for Stephenville (Mr. Stagg) is right, absolutely and totally. I intend to spend the next year and-a-half years -

MR. STAGG: Right.

MR. FLIGHT: - pointing out to the people, anyone who wants to talk to me, every town councillor, every mayor, every taxpayer in the municipality, what the Tory Government is trying to do with this. I intend, Sir, to make sure that - anyone who does not understand this Act will understand it after I get a chance to talk to them.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: The minister got a lot of questions. What about the grants in lieu of taxes, Mr. Minister? How does this Act cover a company like Price (Nfld.) or ASARCO or some of the major industrialists in a town? Is their grant in lieu of taxes going to be brought up to par with what would be collected under an assessment in this situation? What about the Crown Corporation, Newfoundland and Labrador Housing, who owns about three or four million dollars worth of property in Windsor and are now exempt from this act? Are the tenants in those apartments going to have to pay the property tax? There is a clause in there that says they would have to.

MR. FLIGHT:

The councils in this Province, Mr. Speaker, have been coming to the minister for years and years and years asking for permission to exempt senior citizens from certain tax burdens. The minister has never seen fit to use his authority to authorize exemptions for people living in towns with low incomes. Now, they are going to face, instead of facing a forty or fifty dollar a month municipal service fee, a \$200 or \$300 a year property tax that will be added on. The property will carry the tax. The minister may, in his wisdom, exempt or tell the senior citizens that they do not have to pay and they will not for four or five years, but every year the property tax will be added on and then suddenly when the son or daughter inherits that house they find the Minister of Finance's Department

MR. FLIGHT: sending down a bill saying you have to pay a couple of thousand dollars in arrears of taxes that was not collected while your mother and father were alive - like he did under the SSA. There is no tax, Mr. Speaker, that is the problem. When property tax was first envisioned in this Province, it was on the basis that a property tax would replace all other taxes. Under this act there can be triple taxation. Under this act the council can impose about three or four different taxes all based on real property. It is unreal what a person can end up paying under this act, unreal. It is unreal that the minister would have the gall to bring in that kind of act. So, Mr. Speaker, the question was raised, because there is no question about the minister wanting to get this property tax imposed, and there is no question about how fast this is going to come in. What about the assessors? What consultants has the minister already picked out to get his assessments up to date, so that he can apply this legislation as fast as possible by January 1, 1980? What consulting firms is the minister intending to pass the business out to? What about a community, Mr. Speaker, that cannot at this point in time - Leading Tickle, Point Leamington, Buchans, Badger, practically every community in this Province today which has municipal debts by way of debenture and cannot meet those debenture issues? Now, what benefit is a property tax going to have for these people? We have seen the Department of Municipal Affairs intercept all revenue grants, if the town concerned cannot meet its debenture payments. Now, will the minister tell us that having imposed a property tax in a community and having increased the revenue in that town by \$20,000 or \$30,000 that year, will the minister permit that town to keep that revenue and use it to upgrade or expand their facilities, or will he want it taken off and applied against the debenture debt? What is the situation, Mr. Minister? Is he going to rethink? Is he going to tell the Municipal Financing Corporation to stop intercepting revenue grants, to stop intercepting monies owed by the department to those municipalities? Or is every extra dollar collected by way of this act

MR. FLIGHT: going to be intercepted and applied against the debenture charges of the municipalities concerned?

Mr. Speaker, you know, what about a town like Gander? While the minister is talking about how their taxes are paying the water rates in other towns, what about my taxes paying for a swimming pool in Gander? What about my taxes paying for a police force in St. John's? Yes, but what about my taxes paying for the police force in St. John's? So, Mr. Speaker, now that we are going to have it fair and equal across the board, is the Department of Municipal Affairs or this government going to provide a swimming pool in Botwood, going to put a swimming pool in every community given the same level of services they have in Gander? With all the extra revenue that is going to come in from this particular legislation, that is going to be taken off the backs of the people in the small municipalities, are you going to give the Town of St. George's police services, going to provide municipal policing for the Town of St. George's and for the Town of Buchans and the Town of St. Anthony? What are they going to do with it, Mr. Speaker, or are they going to start telling St. John's to pay for their own now, now that they are going to increase their revenue by such a great chunk, thanks to this legislation? No, Mr. Speaker, this legislation is not going to be very well received, and the minister knows that it has not been very well received. It is not understood. Less than 1 per cent of the councillors in this Province today understand it, have seen it, and it is something else for the member for Stephenville (Mr. Stagg) to say I delivered - big deal - you take five copies - in this case one copy and send it to the only incorporated area that he represents. That is a great act for a minister and for a member. Did he sit down and explain it to them clause for clause? I doubt it. I doubt it if he has read it clause for clause. There is not a councillor in this Province today, Mr. Speaker, who understands that act, who knows the ramifications of it - not one.

MR. FLIGHT: I understand the clauses, I can see the benefits.

MR. STAGG: Resign.

MR. FLIGHT: I will tell you, before this Act is implemented the minister might have to resign.

MR. ROBERTS: Hear, hear!

MR. FLIGHT: The minister might have to resign.

MR. RIDEOUT: The last minister had to get out.

MR. FLIGHT: Mr. Speaker, the last minister resigned over a similar Act. He will never forget the regional bill that he brought in the last time. He kept his word though. He said in the House that, "If I do not put this bill through, then I will not be the minister". And he was not the minister.

MR. STAGG: You were the elevator operator on that one, were you not?

AN HON. MEMBER: We do not count that.

MR. FLIGHT: No, the elevator operator did not make it back into the House this time.

AN HON. MEMBER: Who was that?

MR. RIDEOUT: He was from your side.

MR. NEARY: He was one of the people on the government side who was against it.

MR. FLIGHT: So, Mr. Speaker, I want the minister - I do not expect him to address himself to everything - I want that Clause 129 explained, why he finds it necessary to allow the towns covered under this Act to change the basic water rate, which is twelve dollars a month, now costing every householder who uses water in this Province \$144 a year, why bring in a real property tax? There will not be many assessments in this Province that will be less than \$30,000 a year, very few properties in this Province, residential property, that will be assessed for less than \$30,000 -

MR. WINDSOR: How much is that on a one mil. rate?

MR. FLIGHT: You name me a town in Newfoundland today that has a one mil rate.

MR. WINDSOR: Bell Island.

MR. FLIGHT: Mr. Speaker, the mil rate in this Province today

MR. FLIGHT:

are closer to 10 mils than one mil. That is the kind of double talk we are getting. That is what the people in this Province are being led into and being sucked into, a half a mil rate, one mil rate, two mil rate. The average mil rate in this Province today is seven mils not one, closer to ten. So why is it that a community which does not have a property tax now but will have to accept the property tax, that property tax will then cost them, the real property assessment will cost them, say, \$300 a year, that is not - you know, Mount Pearl is higher than \$300 a year. But why is it necessary to then say that that town has got the right to charge a water and sewerage rate based on the real property assessment?

AN HON. MEMBER: Included in it.

MR. FLIGHT: Not included in it. Quite apart from it, Mr. Speaker, quite apart from it. But why is it not included in the clause. It is a clause onto itself. Let me read it, "Where the real property tax is imposed"-already imposed-" in the town the water and sewerage rate shall be set." So, you know, this is a departure. We have to get away from the fixed water rates now. Under this clause in this act, if it is not amended, the fixed water rate of twelve dollars a month will no longer exist. The councils will have to, under this act and under this clause, set their water rates at a mil rate. Now, Mr. Speaker, there is no denying that, either that or the minister would take the clause out. But I want to know why it is.

So, Mr. Speaker, we will give the minister now - that is about all I have got to say. I want clause after clause. I am looking forward to the clause for clause debate on this bill. I hope nobody is planning to get back out of here for Christmas. If you intend to have this bill passed in time to go home for Christmas, I hope nobody is planning Christmas holidays.

MR. N. WINDSOR:

You might change your mind and support it clause by clause, is that what you said?

MR. FLIGHT: I may, there are good things. Before I sit down, the act tidies up the municipal affairs of Newfoundland. There are a few good things about it. But, Mr. Speaker, there is no need. There is legislation in there that is going to hurt a lot of people and there is no need of it. It will accomplish nothing other than to force people to pay money they cannot afford, to lose properties that they have put equity into. And, Mr. Speaker, we will get back on this in the clause by clause debate. Thank you very much.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (MR. SIMMS): The hon. Minister of Municipal Affairs and Housing. If the minister speaks now he will close the debate.

MR. WINDSOR: Thank you, Mr. Speaker. First of all, let me say that this has been an extremely interesting debate. I would like to compliment hon. gentlemen on both sides of the House of Assembly. Indeed, many good points have been made by hon. gentlemen and ladies. A number of points made by hon. gentlemen opposite however certainly need some correction and/or clarification and I will certainly do my best in the brief time that is allotted to me now to do that.

A couple of main themes, I think, ran throughout all of the debate, all of the speeches made so far. One of these, I think, is the lack of consultation. Well, Mr. Speaker, I have to say that that

MR. WINDSOR:

is the greatest amount of nonsense I have ever heard in my life. If any piece of legislation has ever had consultation, this has to be it. As I said in opening remarks in introducing this bill, the Whelan Royal Commission Report - and every hon. gentleman in this House, I am sure, has a copy and has had it since 1974 - and the major provisions of this bill are based on the Whelan Commission Report; not everything, it is not a bible. Let us not go astray on that. It is not a 100 per cent, we have not adopted every recommendation or every resolution in there, but we have been guided to a great degree by it. We have been guided to a great degree by previous resolutions of the Federation of Mayors and Municipalities. Many of the resolutions being made year after year after year are incorporated in this particular bill. As well, we have had resolutions from the Association of Municipal Administrators in the Province. A number of points that they have raised over the past several years are included in here as well. And, as I said earlier, we had a Federation member, the Executive Director of the Federation, sit on the drafting committee and, indeed, for a while the former President of that Association sat on the committee that helped put together this legislation. Complete consultation all the way through, Mr. Speaker. How much more could you consult? They had a working paper, a White Paper, known as the Whelan Royal Commission, they had a representative on there. Many of the resolutions came from their own Federation meetings. What more can you do? And the councils, the hon. gentlemen say, "Well, not all of the councils have been informed of it, not all the councils". Okay? On October 6th, Mr. Speaker, I went to Gander and met with the Federation of Mayors and Municipalities at their annual meeting. Now, the hon. gentleman just finished saying that not all municipalities are represented there. That is true. Okay? That is true. But by far the majority of the population of the Province living in incorporated communities were represented, because -

MR. FLIGHT:

St. John's.

MR. WINDSOR:

St. John's was there, Sir. So by far

the majority of the population of this Province that lives - and that

MR. WINDSOR: covers, by the way, 85 per cent of the Province - the majority of those people are represented at the Federation meetings. Some of the smaller community councils, obviously, are not. You are talking about the communities the hon. gentleman just referred to of 90 or 100 or 200 people, and you will find that by far and away the large majority of those people were represented at the Federation meetings. Nevertheless, Mr. Speaker, this is a speech that I gave in Gander, and I refer throughout to property tax, regional government; all those things that are in this bill were spelled out quite clearly in that speech at the Federation meeting in Gander, and copies of that speech have been distributed to every municipality in the Province whether they are a member of the Federation or not. So, the basic principles of this piece of legislation have been sent out to every municipality in this Province loud and clear.

SOME HON. MEMBERS: Hear, hear!

MR. WINDSOR: Sir, if they did not read what was sent to them, all they had to do was read the newspaper. The Evening Telegram of October 6th carried verbatim - and I thank The Telegram for the coverage they gave me on that date - carried verbatim the speech that I gave in Gander, again dealing with all the basic principles of this particular piece of legislation, including mandatory property tax, including regional government, as did the Grand Falls Advertiser on October 11th. That is all there, front page of the Grand Falls Advertiser, even has a headline called "Property Tax".

MR. FLIGHT: Any references to Clause 29?

MR. WINDSOR: It is all there, Mr. Speaker, every bit of it. So if hon. gentlemen try to say that there has been no consultation, no information has been given out, that is utter nonsense.

SOME HON. MEMBERS: Sit down.

MR. WINDSOR: One other point as it relates to consultation, Mr. Speaker. I was appointed to this portfolio on October 20th of last year. That is just a little over a year. Since that time I have met with 196 councils or delegations from councils -

SOME HON. MEMBERS: Hear, hear!

MR. WINDSOR: - and in many cases - and, by the way, 64 of those, Mr. Speaker, were in their own town hall, not here in Confederation Building, but around the Province. In many, many of those meetings, Mr. Speaker, various provisions of this proposed piece of legislation had been discussed as they relate to that particular municipality or generally. So, I would submit very clearly, Mr. Speaker, that there has been consultation on this particular piece of legislation such as no piece of legislation has ever seen before.

Now, let us talk about some of the provisions, some of the main ones. Regional government, Mr. Speaker, hon. gentlemen opposite talk about regional government, "Oh, this is all new and surprising", and we are trying to shove it down their throats. Let me read just a section, Mr. Speaker, of the Whelan Royal Commission Report, which deals with this particular section, and I quote from page 524, "The Commission believes that the establishment of regional structures would merely compound the many problems noted throughout the report. It is recommended, therefore, that while particular regions may be established in the first instance with only rudimentary functions, they should be developed within a legislative framework that contemplates and, indeed, encourages their growth as all-purpose authorities with the power to govern effectively." And it continues, "Newfoundland does not need

MR. N. WINDSOR:

and can clearly ill-afford yet another category of weak, resource starved local authority". The commission concludes "that the legislative framework to be provided for regional municipal authorities should authorize the scheduled delegation to them of the following functional responsibilities at times, locations and in those forms deemed appropriate by the government." And it continues with a list of powers and authorities that this commission suggests should be vested in the regional councils by the Lieutenant-Governor in Council, who, they say here, should have full power to appoint, again on the basis of a feasibility study as this particular piece of legislation purposes. That is exactly what was suggested and recommended by the Whelan Royal Commission report. An impartial report, Mr. Speaker, one that has been accepted across the Province, not something that was written by this government, not an idea that was brought forward by this government. We are simply going along with the recommendations of the report.

Let us talk about regional government for a few moments. What are talking about? The hon. gentlemen opposite talk about regional government as if this is going to be another level of taxation, another level of authority, autonomy taken away from municipalities, control on municipalities, powers that municipalities -

MR. FLIGHT: (Inaudible) powers.

MR. N. WINDSOR: No, it is not, read it again!

"Powers that municipalities previously had." Sir, it is very, very clear and I think here, as I recall, that the Whelan Royal Commission report emphasizes this as well, and I quote again from the bottom of page 525, "And the commission wishes to emphasize finally that the recommended power of the regional authority to co-ordinate the municipal functions specified above, subject to the minister's approval, does not extend to the actual performance of those functions within municipal boundaries except where such transfer is duly authorized by mutual and formal agreement". That is exactly what the piece

MR. N. WINDSOR: of legislation in front of us purposes, Mr. Speaker, that in a municipality the municipality is still paramount, still has absolute control, the only issues that they deal with the regional council on are matters which are regional and by agreement.

Now what are we talking about in regional government? Are we talking about a formal structure such as were purposed by my colleague next to me here a couple of years ago known as Bill 50, or are we talking about regional government such as we have now, such as we have in Central Newfoundland? The hon. gentlemen know well we have a regional council, Sir, which operates a water supply system - Grand Falls, Windsor and Bishop's Falls. They have a committee established of their own, not formalized by any agreement, not giving any authority under any piece of legislation but it is a committee that has gotten together and are now operating and maintaining a water supply system. They need full legal authority to do that, I would suggest. There are other committees, my hon. friend from Placentia (Mr. Patterson) spoke a few moments ago about his area, where municipalities down there have requested a meeting to look at, perhaps a form of regional government, perhaps an amalgamation of the communities. They have already have a regional concept down there as well; they are building a magnificent sports complex down there. And again, the municipalities of that area have combined together, have formed a committee and have undertaken a very, very expensive project, and an excellent project, which is being handled in a very good way maximizing benefits from both Canada Works funding, provincial funding and local funding. In every respect, Mr. Speaker, that is a regional council. We have another one here in St. John's, it is called the St. John's Metro Board. They are operating a regional water supply, a \$35 million water supply on behalf of the region -

MR. L. STIRLING: What is the recommendation (inaudible).

MR. N. WINDSOR: On which, Sir?

MR. L. STIRLING: On the St. John's Metro Board.

MR. N. WINDSOR: That it be disbanded?

MR. L. STIRLING: (Inaudible) Royal Commission.

MR. N. WINDSOR: Metro Board would disappear if the regional council came in. What is the difference in the Metro Board as it now operates and a regional council? One difference, Mr. Speaker; the Metro Board is appointed, a regional council would be elected by due process. That is the difference!

SOME HON. MEMBERS: Hear, hear!

MR. L. STIRLING: Well, the minister (inaudible).

MR. N. WINDSOR: Mr. Speaker, I would like to carry on to a couple of other aspects.

SOME HON. MEMBERS: Oh, oh!

MR. N. WINDSOR: Yes, go ahead, why not?

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

MR. L. STIRLING: I have no quarrel with the minister. By the way, I think the minister is doing a good job and he should separate out -

AN HON. MEMBER: He is speaking for himself now.

MR. L. STIRLING: I said I think the minister is doing a good job and he should separate out the minister from this piece of legislation. Now you just said that the recommendations of the Royal Commission was by mutual consent and you asked what we are objecting to. If you just read section 299 of the Act, Mr. Minister, "In an order made establishing a region or annexing an area to a region the Lieutenant-Governor in Council may provide for the adjustment of assets and liabilities between the towns, communities and regions" - not by mutual consent, the Lieutenant-Governor in Council may decree. When you said earlier that you would not be taking away any authority, that is the very point we are trying to make there. Would you like to comment on that?

MR. SPEAKER: Hon. minister.

MR. N. WINDSOR:

The hon. gentleman has obviously got to read the whole Bill. He is taking it out of context again as he did in many of his remarks that he made when he spoke, and I will come to those shortly. What you are talking about here are regional services that the Lieutenant-Governor in Council obviously would have authority to establish the control over regional services. What I spoke about a moment ago was local services whereby a regional council

MR. WINDSOR:

may, if it is deemed advisable and by mutual consent, provide services to municipalities that the municipality would normally, ordinarily and even under these circumstances provide. That may well be such things as tax billing, for instance, where you have a number of municipalities. Let us take the St. John's region - a good example. We have sixteen or seventeen municipalities in the region that was proposed to be covered by the St. John's Urban Region, by the Northeast Avalon Regional Council. It may well be that that regional council could set up a computer programme for sending out tax bills and doing all the calculations, which would be far more economical than the present system where we have sixteen town halls with sixteen town clerks and sixteen other people in the municipalities sending out tax bills, making them up by hand and this sort of thing. That is the sort of service that a regional council could sell if the municipality choose to take part in it. And that is not something that is affected by this particular piece of legislation. That is done by mutual consent, Mr. Speaker.

Now, we talked about property tax. Hon. gentlemen opposite are scared to death of property tax, this great and wonderful system of raising revenues in municipalities so that they have got a solid financial base under which to operate. Mr. Speaker, let us first of all accept a basic principle, that where you expect a particular level of service there must be an expectation to bear a portion of the cost of that service. Now I am not talking about all the cost as the hon. gentleman for Windsor-Buchans (Mr. Flight) tried to indicate. We are talking about bearing a portion of the cost. We have been talking about a whole new grant system and going in with this property tax system is the Municipal Grants Act, Mr. Speaker, an act which was approved by this hon. House two years ago which provides for a system of grants from the Province on a much better basis than they are now. Right now the minister has too much discretionary power, too many special grants. I am the first to admit it and that is

MR. WINDSOR:

precisely why we want this piece of legislation to go through, be proclaimed and to be put into law and to take effect coincidentally with this new Municipal Grants Act, Mr. Speaker, because there is too much power in the minister, too much discretion, too much differentiation between municipalities, too many Windsors of the Province who are paying very little of their own way, too many Ganders that are paying 100 per cent of their own way, Mr. Speaker, and that is not right. We say it should be -

MR. FLIGHT: Tell me a town that has a higher mil rate than Windsor.

MR. WINDSOR: Try Corner Brook, who are paying a pretty good percentage of their way.

MR. FLIGHT: Do not say they are not paying their own way.

AN HON. MEMBER: What is the mil rate?

MR. FLIGHT: You are bleeding them and they are getting nothing back in return.

MR. WINDSOR: We say, Mr. Speaker, that there should be more equity here. Municipalities should be treated as equally as possible and this Municipal Grants Act does just that. And all this, Mr. Speaker, we perhaps should not be debating it, because it already has been approved by the hon. House. It is simply a matter of being proclaimed. But it provides for a general grant based on per capita allocation, based on the incidence of social assistance which, by the way, now will not be nearly as important because the Province - I had announced in Gander as well at the same time as part of this speech - that the Province will now be paying taxes on behalf of social assistance recipients, another great move of this government, Mr. Speaker, in order to assist municipalities, to ease from them the burden of social assistance recipients who are not in a position to pay taxes for themselves.

MR. FLIGHT: Could you carry it to the other group?

MR. WINDSOR: Yes I will take it to the other group, the senior citizens, Mr. Speaker, who affect this particular situation in an opposite direction in that we are putting a greater burden on municipalities, this particular part of the formula, this particular factor will be adjusted to help compensate municipalities for the loss of revenue as a result of the exemption of senior citizens, yes.

MR. STIRLING: (Inaudible)with social assistance.

What happens when you put old age pensioners in that?

MR. WINDSOR: Well we are, we are -

AN HON. MEMBER: Put them in that category?

MR. WINDSOR: What, pay for old age pensioners?

AN HON. MEMBER: Yes.

MR. WINDSOR: Now you are getting into a different situation -

MR. STIRLING: I mean there are people -

MR. WINDSOR: - now because we are saying that the old age pensioners, that there is discrimination there in a municipality, those two exemptions that they give. We are saying that the old age pensions themselves will not be taxable income. But if they want to give other exemptions over and above that, this act also gives the municipality that autonomy, that they do not have to come to the minister again for an exemption. The autonomy is written right into the act so the municipality, knowing the amount of money that will be coming to them as a result of the Municipal Grants Act, Mr. Speaker, knowing how much money will come in from the Province, knowing how much money they want to spend in the municipality to provide the level of services being dictated or being demanded by their residents, knowing that, the difference obviously has to be raised locally. They then set their tax rate, Mr. Speaker, this great frightening property tax that, you know, hon. gentlemen opposite indicate will be \$400 or \$500 or \$1,000. That is utter nonsense, Mr. Speaker. The level of property taxation will depend on the level of service demanded and the level of service provided.

MR. FLIGHT: Will it include (inaudible). Will it include interest payment on loans to provide the service? Will it?

MR. WINDSOR: Mr. Speaker, I have already said to the hon. gentleman if he was listening that we would expect municipalities to pay at least a proportion.

MR. FLIGHT: That is right. They will never raise enough. They will never, there is no way they could raise the mil rate that high.

MR. WINDSOR: You have got to listen to the rest of it, too. You have got to talk about the new capital grant system, Mr. Speaker, whereby the Province has said, We will accept the responsibility of developing sources of

MR. WINDSOR:

supply of water, we will accept the responsibility of treating sewage, if it is required, so that two municipalities are not treated differently; so that two municipalities a mile apart, one with a water supply on its boundary and the other one with a water supply ten miles away, do not have a different cost of bringing water to the people; and that two municipalities, one that can get away without providing sewerage and one that must, will not be treated differently, Mr. Speaker, to try to equalize it a little bit. But we expect for the distribution and collection system within the municipality, that the municipality share a portion of that burden.

MR. STIRLING:

How are you going to establish that?

How are you going to establish the formula?

MR. WINDSOR:

We have a Capital Projects Board, Mr. Speaker, which has been appointed under this act which will be doing all of that, which will be looking at the economic situation, because municipalities are different. We recognize that, Mr. Speaker. Two municipalities cannot be treated exactly equal. We are going to attempt to get them treated as equally as possible, but there is no way you can treat a municipality that has a high industrial tax base the same as a municipality that has a 50 per cent Social Assistance incidence in the community. It is obviously impossible, so there has to be flexibility, and we have a Capital Projects Board here that will deal with that on an impartial basis, established by statute.

Well, Mr. Speaker, property tax itself.

Let me talk a little bit about, you know, what happens when you impose a property tax. Hon. gentlemen opposite talked about assessment procedures and will assessments be done fairly and equally and so forth, will there be a fair assessment right across the Province. First of all, it has already been established that the Province is now responsible for all assessments, all assessments in the Province, you know, including School Tax. We are moving towards that, we have not got it yet. We are upgrading our staff. The hon. gentleman made some remark that the staff in our Assessment Division are not competent, I take exception to that,

MR. WINDSOR: Mr. Speaker; we have exceptionally fine assessors. We have 15 or 20 students coming out of Trades College each year, fully accredited assessors, who are available to us to employ in our particular Assessment Division. We are taking assessors from the cities of Corner Brook and St. John's, for instance, who are coming on our staff. One problem that we do have, and I bet, is getting senior people, the top level people who have experience. We can find people who have all the academic qualifications but the experience to go with that, and the assessment experience is a very major part of that, and you must have the experience to go with the academic background. We are having some difficulties attracting people with that. Perhaps it is our salary level and we are looking at that at the moment, but certainly that will be overcome. We have added quite a number of assessors to our staff and will be adding others, so that we will have the capability of doing assessments.

Now, the assessment procedure itself, Mr. Speaker. An assessor will go into a municipality and he will, first of all, take as many cases, actual cases of sale, as he can find. Now these are ones that are done at arm's length - not one when somebody has been transferred and has got 12 days to get rid of their house and get out, or not one where somebody has come in to the community and needs a place to get their family into a home before school opens - but the normal average sale by a willing buyer who is not under duress, and a willing seller who is not under duress. They will look at that and they will average those out and come up with an average value for the municipality. All properties in the municipality then are assessed in accordance with this standard that has been as a result of actual resale values.

Now, the hon. gentleman says that may not be done equally. Well, anybody who feels that he has not been treated equally has the course of appeal. There is a Court of Revision based on the assessment and everybody has a right to appeal - I think

MR. WINDSOR: it is a 30-day period - that a person has a right to file an appeal and to have an appeal heard by an independent arbitrator who will rule as to whether there has been an error in the assessment, perhaps, or whether indeed there is something unjust here. So the assessment procedure, Mr. Speaker, is as fair and as just and equitable as we can possibly make it, and it is a system that is used right across Canada.

The property tax itself, Mr. Speaker, what does it mean? It was just established that there is funding coming into the Province by way of the Grants Act. We know what level of service needs to be provided so we know how much money has to be raised locally. Now, does it really matter whether that is raised by a service fee or by a property tax or by an income tax? - and I will come to that one in a moment, somebody mentioned that. Does it really matter? The burden on the taxpayer in the municipality is going to be the same. The bottom line is the total number of dollars that have to be raised locally, that is what you are talking about. What we have to establish here is the most equitable way of doing that. It has been accepted, Mr. Speaker, all across Canada, all across North America basically, that the property tax system is the fairest way of doing that.

MR. STIRLING: It is not.

MR. WINDSOR: You know, you want to talk about a service fee system. Let us assume you have a home with two persons living in it who are working, both paying a service fee of \$60 a year, perhaps. That is \$120 a year. The property tax on that same piece of property, if that is an average, could still be \$120 a year, the actual dollar. It depends on the mil rate, Mr. Speaker, and this act gives a municipality the authority to decide that, not the minister, not the government. The municipality has full authority

MR. N. WINDSOR: to decide the level of expenditure that they are going to incur for a year and, therefore, the level of taxation that they must impose, simply because, Mr. Speaker, the minister will not longer approve the budget; that authority has been taken away from him, that responsibility and that is given to the municipalities, set your own budget, set your level of service, set your level of taxation, approve it yourself and carry on, Mr. Speaker, giving authority again to the municipalities taking it away from the minister.

MR. L. STIRLING: Would the minister permit a question for clarification?

MR. N. WINDSOR: Sure, go ahead.

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

MR. L. STIRLING: You mentioned earlier - and I hope maybe you could look this up before we get into it clause by clause - because the minister sounded very sincere in what he said a few minutes ago about responsibilities and taking nothing back from municipalities. But this is the concern that we have; just take a look at section 304 - you do not have to do it now - section 304 where you were talking about responsibilities and powers of regional government, when it says that it can designate the powers that the regional government "shall exercise for the entire region or any portion thereof" such powers should be among those set out in 305 and they go into all the powers and "where powers are designated under sub-section (1) these powers cease to be the responsibility of a city, town, community" and then they go on and they say that the regional council "may exercise them in accordance with the act establishing these bodies as if they were the body described therein." While the minister is in charge and his intention and all that sort of stuff is in power but suppose, for example, that the member for Stephenville became the Minister of Municipal Affairs -

AN HON. MEMBER: God help us.

MR. L. STIRLING: - or in a Liberal Government, would you be happy to have a Liberal Government have the same change?

SOME HON. MEMBERS:

Hear, hear!

MR. N. WINDSOR:

The hon. gentleman should read that section a little more carefully.

AN HON. MEMBER:

Talk about the dinosaurs.

MR. N. WINDSOR:

Could we have some order, Mr. Speaker?

MR. SPEAKER: (Simms)

Order, please! The hon. minister has requested to be heard in silence.

MR. N. WINDSOR:

The hon. gentleman should read the section. It says set out in accordance with section 305, and section 305 talks about regional services, not local services in a municipality. Nothing in that section gives the regional council authority to operate anything within municipality, other than regional services. Obviously any portion of the regional water supply within a municipality would be operated by the regional council, but none of the local services. It is very clearly spelled out, Mr. Speaker. Anyway, we can get to that.

MR. STIRLING:

Have a look at it before we get to clause by clause.

MR. N. WINDSOR:

Now, Mr. Speaker, hon. gentlemen are concerned about incorporation, based on a feasibility study. I would like to again quote, if I may, a couple of sections from the Whelan Royal Commission report. Page 428 it says, "Accordingly, the commission recommends the following guidelines and procedures in the matter of incorporating new municipalities and establishing or altering their legal status, boundaries, formal institutional structure and powers: First, the proposed Municipalities Act should apply to every existing town, rural district and local government community operating under the current statute immediately before the proposed act comes into force. Second, incorporated towns, and rural districts should be authorized to provide any of the municipal services designated in schedule A of the new act. Third, upon the recommendation of the minister, and after the completion and study of a feasibility report the Lieutenant-Governor in Council should be empowered to" - and it lists the incorporations and amalgamations and so forth. "The minister should be authorized to include a local census,

MR. N. WINDSOR: petition and plebiscite as part of the feasibility report if he deems it appropriate. He should not, however" - and this is perhaps the strongest recommendation of this report, Mr. Speaker - "He should not, however, as the Lieutenant-Governor in Council is at present, be bound to follow the majority expression that emerges in any local petition or plebiscite." That is the strongest report or recommendation in that report, and it states quite clearly, as I have just indicated, that it should be based on a feasibility study but that the minister could authorize a hearing if he wishes. We have not brought that in, Mr. Speaker, exactly as it is; we were not happy with it. We put in there mandatory public hearings so that there must be a public hearing as part of that feasibility study. That commissioner is bound and that commissioner has full powers of a court of revision or whatever, and he must - he is a fully fledged commissioner - he must have, he or a board as the case may be, have public hearings as part of that so that everybody has the opportunity, Mr. Speaker, to make whatever input he or she or they wish to make.

MR. WINDSOR: Based on that, Mr. Speaker, a recommendation of this report, a very strong one, is that government then have the authority to make decisions. I was disappointed in the hon. member for Burin (Mr. Hollett) - do not tell me I am out of time already!

SOME HON. MEMBERS: By leave.

MR. WINDSOR: Can I have some leave? I wanted to get in some of the individual things and I was just about to do that. All right, Mr. Speaker, I will try to cut the remarks down a little bit there.

MR. STIRLING: No need, no need. You were saying the member for Burin - just to put you back in your spot, the member for Burin.

MR. WINDSOR: We were talking about, as it relates to regional council, I think, the number of members mentioned the appointment of regional councils, the fact that as the act proposed - the hon. gentleman from the Strait of Belle Isle (Mr. Roberts) brought this up in his remarks, I think, at the very beginning - that the act - and I think I responded. I think I responded to the hon. member for Bonavista North (Mr. Stirling) as well - that it would be by election. That is exactly what we intended.

MR. STIRLING: That is not what is in the act.

MR. WINDSOR: No, I agree - all right? - and I will be proposing an amendment. I want to get that across to hon. gentlemen.

MR. ROBERTS: (Inaudible) my colleague.

MR. WINDSOR: Whatever is appropriate. There shall be an amendment proposed - okay? - along the lines as we had intended. Unfortunately, in the wording, the translation got there, and I think the hon. gentlemen agree, from the remark that I made immediately as the hon. gentleman brought it up, that you could see that it was -

MR. ROBERTS: Are there any other errors in the bill? I mean, what the minister says is very serious. There may be other errors in the bill.

MR. WINDSOR: This is perhaps the most major one.
There are a few other smaller ones.

MR. STIRLING: That is a very major change.

MR. WINDSOR: Yes.

MR. ROBERTS: The most major one we know about.

MR. STIRLING: You can understand why we are so concerned.

MR. WINDSOR: Yes, I agree with you entirely, and you understand why I responded as I did, because that certainly was not what we intended the wording to say. What we intended the wording to say was that to make the provisions for appointment, the appointment would be from the councils of the region, so that as in the case of the St. John's area where the City of St. John's had been demanding the right to have some of their members appointed. Now we may say there shall be five members from the City of St. John's, but we have the right to say three will be from existing councils, two may be elected at large, they may be all elected at large or they may be all from the existing councils.

MR. STIRLING: That is a good change.

MR. WINDSOR: That is the way we want to have it.
The balance will be elected. The intent of this act is to have them all elected, but there is flexibility there, that where it is deemed advisable and desired by municipalities, particularly in the region, the people of the region, and based on the feasibility study and report and the public hearings associated therewith, that if it is desired that all these members should be appointed, as in the case that I just talked about of Grand Falls-Windsor where they are operating a regional water supply system, all the members of that committee are appointed from the councils of that region; as in the case of Placentia where they are operating a regional recreational facility, all of the members on that committee are appointed from the council.

MR. ROBERTS: Or the Local Improvement District of Hogan's Pond where they are all appointed with the full and enthusiastic support of the residents of (inaudible).

MR. WINDSOR: Yes, but they will not be appointed anymore now, because this act does away with local improvement districts.

MR. ROBERTS: But now it will be a town. We are going to have the Town of Hogan's Pond -

MR. WINDSOR: It will be a town, exactly.

MR. ROBERTS: - until the minister wipes us out, and then we will return the favour.

MR. WINDSOR: As it relates to appointments and elections, that is the way the act shall read.

MR. STIRLING: Can I make another suggestion, that the minister look at the rest of the act as though a Liberal government were going to have to implement it, and then you would figure out all the kinds of -

MR. WINDSOR: I live in dread of that, and I would not write any piece of legislation that would not provide for that drastic occurrence.

MR. ROBERTS: We live in dread of the minister for the same reason, but I mean it is not a bad question.

MR. WINDSOR: Now, Mr. Speaker, I would like to get into some of the details and I thank hon. gentlemen opposite for leave, and I do not know how long you are going to bear with me.

MR. FLIGHT: (Inaudible).

MR. WINDSOR: Yes, if you give me leave long enough I will get to it. I want to go right through if I can.

MR. ROBERTS: Leave to six o'clock by all means. Half of it is wasted anyway, sure.

MR. SPEAKER: (Simms) Leave has been agreed.

MR. ROBERTS: Carried.

MR. WINDSOR: Thank you. The hon. gentleman from Bonavista North (Mr. Stirling), Mr. Speaker, I would like to go down through some of his remarks. First of all, he talked about not meeting with the Federation. I think I have cleared that up through the media, that there was consultation - because of the time constraints there, the time frame, the setting of the meeting and the time that we actually brought the piece of legislation into the House, but obviously we are

MR. WINDSOR: still in second reading. I have had that meeting on the 17th of the month and there is still, as I have just indicated, room for amendments, perhaps, and I will in fact have to have one or two other amendments as a result of discussions- these are minor amendments-as a result of discussions with the Federation in that meeting on the 17th.

MR. STIRLING: Will you give us some notice of those?

MR. WINDSOR: Yes, I think we can, sure.

MR. WINDSOR:

The hon. gentleman mentioned the fact there would be no more petitions but now feasibility studies. I think I have just talked about that aspect of it. But there can indeed be. The minister still has the right to order a petition or a plebiscite if he sees fit. But basically what we are looking at are feasibility studies with mandatory public hearings as part of that -

MR. ROBERTS: Why would the minister order a petition? I can see him ordering a plebiscite but why would he order a petition?

MR. WINDSOR: I do not see any point in it. You are going to have a petition but you are not going to be bound by it, it is better to have a public hearing.

MR. ROBERTS: Or a plebiscite.

MR. STIRLING: There is nothing wrong with both.

MR. WINDSOR: But there is still flexibility. If, in a particular instance, it is a situation where government feels that we should have a petition here then there is nothing stopping petitions from being taken.

MR. STIRLING: Will you agree on just one thing on those remarks and then I will agree with you: Would you agree that no copy of this act has been distributed in its final form to municipalities throughout Newfoundland?

MR. WINDSOR: That is right.

MR. STIRLING: Okay.

MR. WINDSOR: We have not distributed.

MR. STIRLING: No, that is -

MR. WINDSOR: Anybody who has asked for one has been given one up until about two days ago when we ran out of copies, quite frankly.

MR. STIRLING: The essence of my comment was that you discussed the principle -

MR. WINDSOR: Yes.

MR. STIRLING: - but you had not actually set out the act.

MR. WINDSOR: No, the copies of that act were sent to the Federation of Mayor and Municipalities.

MR. STIRLING: Executive.

MR. WINDSOR: Executive, yes. Who, I can only assume, Mr. Speaker, represent the municipalities. And with due respect to the fact that they do not represent all municipalities, they certainly represent the majority, at least certainly the majority of the population. I still live under our principle and I fail, I refuse to lose my confidence in our democratic system, that those elected to represent are exactly representing. And I refuse to accept the principle that the hon. members of this House of Assembly are not representing the members that we were elected to represent which covers the whole Province, Mr. Speaker.

MR. STIRLING: Just to get it clear, that the people elect a councillor and the people elect the members of the House of Assembly but the people do not elect the Federation of Municipalities.

MR. WINDSOR: No, the elected representatives elect the Federation of Municipalities instead.

MR. STIRLING: But they do not speak for the municipalities.

MR. WINDSOR: Still a democratic election, Mr. Speaker.

MR. ROBERTS: I wonder (inaudible).

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

MR. ROBERTS: (Inaudible) I will not say they are not here, just that I have not found them, under which plebiscites can be held.

MR. WINDSOR: Are you quoting the Royal Commission?

MR. ROBERTS: No, but I mean I thought I heard the minister to say, in fact I know I heard him say, if my memory and my understanding are not gone yet, that plebiscites (inaudible).

MR. WINDSOR: (Inaudible) on the top of my tongue,

Mr. Speaker, there is a section here -

MR. ROBERTS: I do not doubt it is here. I will simply say I have not been able to locate it from the index. And the minister, I would think, knows the act better than anybody in the House - he ought to, it is his bill - and I wonder if he could indicate it to us.

MR. WINDSOR: I do not have it at the moment, Mr. Speaker. I know it is here. Certainly it has been indicated to me because I asked the question and it has sort of been indicated that there is nothing in here precluding. Maybe you can help me. Section 441, the hon. gentleman from the Table tells me.

MR. ROBERTS: Well, that is why we have draftpersons.

MR. WINDSOR: Section 441, plebiscites.

MR. ROBERTS: Right, that is what it says.

MR. WINDSOR: Maybe we should look at it, Mr. Speaker, since the question has been raised. It will just take a moment. Section 441.

MR. ROBERTS: That does not give the minister any power.

MR. STIRLING: That is if the municipality wants to hold a plebiscite.

MR. ROBERTS: Would the minister yield for a second on that point because -

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

MR. ROBERTS: - with all respect to the draftpersons -

MR. WINDSOR: Perhaps we should get into this in the -

MR. ROBERTS: No, no. Okay but -

MR. WINDSOR: Go ahead.

MR. ROBERTS: - we are going to do it no matter where. And since we are getting along fairly nicely. You know, that section 441 gives to the council the authority, and this part of this act in which 441 comes, Mr. Speaker, speaks of the general complementary - and for the benefit of my friends in Hansard that is 'e' and not 'i' - complementary powers to be given to a council. And this section confers upon a council the power to hold a plebiscite. So I would simply - I do not expect the minister to interrupt his train of thought and to look through the sections of the act to find me what I want, but I do say to him I have not been able to find the section

MR. ROBERTS:

under which the Lieutenant-Governor in Council in considering whether or not he will grant an incorporation, whether he will use his power as conferred upon him under this act to incorporate, whether he will use a plebiscite. It speaks of feasibility studies, that it might be possible to extend the definition of feasibility studies by some tortured process to include a plebiscite. But I do not see conferring this anywhere, any specific power to order whereby the Governor in Council may order a plebiscite.

Now I suppose it might be maintained that, you know, where there is no prohibition of it in general law then the government can do it. But I would point out now that plebiscites are carried out,

MR. E. ROBERTS: I believe, under authority of the Local Government Act including the plebiscites which, from time to time, the Liquor Corporation may order on the Liquor Licensing Board, I think it is. I should say to the minister that the section he pointed out is not the one which deals with the matter I had raised and perhaps he could undertake between now and committee stage to come back with the answer. Because I think the power to hold a plebiscite is one that the House ought to look at and it is certainly within the Bill and we ought to look at it, but I have not been able to find it.

MR. N. WINDSOR:

Yes, Mr. Speaker, I will undertake to do that, I cannot put my finger on it at the moment I am not sure if there is a particular section dealing with it perhaps there is not, and I am not sure if it may not be - as I was looking up the Department of Municipal Affairs and Housing Act the authority may well be in there, but certainly I do not think there is anything in here that precludes a plebiscite from being ordered by the minister.

Mr. Speaker, now to quickly go down through some of the points: The hon. gentleman mentioned the appointment of a regional council-I dealt with that. Why unanimous consent needed for resolution to pay councillors, again, I agree entirely, that is something that I have to discuss with the Federation. As a result of their representations, we will be proposing an amendment at the appropriate time. It is something that we are entirely flexible on.

MR. E. ROBERTS: It should be a majority plus one.
It should be 50 per cent plus one.

MR. N. WINDSOR: A two-thirds majority, as are most other financial matters are covered in here. So we were quite flexible on that; when the Federation brought it to our attention we said, 'yes, fine, we will have a look at'.

MR. E. ROBERTS: If a government can be turned out by a majority of a House, then that principle ought to be carried on.

MR. N. WINDSOR: The situation here is that you are talking about a resolution to pay councillors. The budget has to be approved by votes of two-thirds, a budget of the council. But this is really a budgetary concern.

MR. E. ROBERTS: If the minister wants a really neat amendment on that, if he would permit, Mr. Speaker, for being fairly informal, he might consider having the draftsman put together a provision that a council may adopt by majority the provision that councillors be paid to come into effect after the next general election. And that would prevent the situation where the council came into office and promptly proceeded to vote themselves salary which might be considered to be unfair. Why not say, "The council may do it but it should come into effect in respect to the council after the next general election of councillors in that town." That would solve the problem then neatly.

MR. N. WINDSOR: I agree, Mr. Speaker, it might be entirely acceptable to us but I am not sure how acceptable it would be to the councillors. It is a good suggestion, but certainly we do intend to purpose the amendment.

MR. E. ROBERTS: Once you had it in it would not matter from then on.

MR. N. WINDSOR: The hon. gentleman for Bonavista North (Mr. Stirling) also talked about taxing of Newfoundland Light and Power and other utilities. We agree entirely and in fact in Gander in my speech, as well I made mention of that particular difficulty that we are having. We are still having negotiations between the Federation and Newfoundland Light and Power, the city of St. John's and other people and we will bring legislation in the Winter session after Christmas dealing with that particular problem.

The hon. gentleman for Carbonear (Mr. R. Moores), he did not say anything. Well, he did say that

MR. N. WINDSOR: there were no changes in here, Mr. Speaker, no changes in the Bill except the submission of the budget. He did not talk about the approval to borrow, that the municipality can now borrow up to 20 per cent of its projected annual revenue without submission, without a request from the minister. They will have the authority to do that, so they can do a temporary borrowing pending receipt of taxes, pending receipt of Canada Works grants or other grants or whatever.

AN HON. MEMBER:

MR. N. WINDSOR: No, 20 per cent of the projected total revenue from that year.

AN HON. MEMBER: Regardless of their past (inaudible).

MR. N. WINDSOR: Yes, it is an interim borrowing. Why should a municipality have to write to the minister and say, 'we wish to borrow \$10,000 pending receipt of taxes'. What we are saying is that if taxes are proposed to \$50,000 then \$10,000 is 20 per cent of that and they borrow that without approval of the minister. So they can go to the bank and under the authority of the Act borrow as an interim borrowing.

MR. G. FLIGHT: Just let me ask this question: Even though that given council would already owe \$100,000 from last year's borrowings, they can still go ahead and borrow 20 per cent of -

MR. N. WINDSOR: I do not approve. They have the authority to do it. They can borrow on an interim measure and that is something that they can then deal with the banks on. If the banks are prepared to give it to them, then they can borrow. There is no guarantee from the Province but there is never anyway. We do not guarantee it now. If a town came to me and said, 'We want to borrow \$10,000 pending receipt of taxes', we will give them straight approval to borrow. They can then go out and negotiate with the bank. If the bank says no, then we cannot help them. Then we have to deal with it on some other basis.

MR. G. FLIGHT: (Inaudible) borrowing
of Government guaranteed loans up until now, Mr. Minister, 90 per
cent of it.

MR. N. WINDSOR: No, the only Government guaranteed
loans are the capital works ones. The Act now reads approval to
borrow; proposed legislation says that they do not need approval
to borrow.

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

MR. L. STIRLING: Is the minister going to
change that other thing

MR. STIRLING:

that was very important to the Federation of Municipalities?
You mentioned three changes. This business about the right to run in an election after being dismissed by the minister, that was very important to municipalities.

MR. WINDSOR:

Yes. I am not sure how important it was but I suspect it was more important to hon. gentlemen opposite, Mr. Speaker, than the municipalities. We explained to them that we see it as totally acceptable that there be a two year cooling off period, Mr. Speaker. I do not propose an amendment on that particular one. You know if a municipality has acted in a manner that would warrant the Lieutenant Governor in Council, and that is a very serious step. There are very few occasions when that particular step was taken by Cabinet and we should stop and have a good long look at it before we make that decision. And if a decision of Cabinet is warranted, if the situation is serious enough that a council should be dismissed, then I do not think it is unreasonable to expect that for two years they not be empowered to run again. It would be totally ridiculous, Mr. Speaker, for Cabinet to dismiss the council this week and two weeks later there be an election and that whole council be voted back in again. And that is not unrealistic, Mr. Speaker, because a municipality may well go out and spend all kinds of money that they do not have the authority to spend, money that they do not really have and incur all kinds of debts which would make the taxpayer pretty happy and he would be only too happy to vote him back in again.

MR. ROBERTS:

Would the minister yield briefly on that?

MR. WINDSOR:

Yes.

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

MR. ROBERTS:

Mr. Speaker, I will not argue the point. I will argue it at committee, because we had the Wilf Drover amendment three or four years ago, which I think is most offensive, but is the minister familiar with the case of the member of parliament for a British

MR. ROBERTS:

constituency named Lionel Rothschild who was elected four or five times, the member from Middlesex, I believe it was, who was elected four or five times and each time the House of Commons refused to seat him and each time his electors sent him back and eventually the House of Commons gave way. And there is another precedent in British history of John Wilks. He was the man from Middlesex, I think, who was elected three or four - Middlesex or North - I forget, but it was one of the London seats, I believe it was Middlesex. What the minister is saying really goes against all democratic principles, the very principle he espoused before. I would say to him that I think it would be entirely consistent - if the minister wishes to dismiss a council, so be it, but if the electors of that constituency wish to put that council back in office then I think that should be it too and I think this act ought to reflect that. Otherwise the minister is substituting his opinion for that of the electorate and that surely is the very essence of an anti-democratic position and that surely, I will grant the minister every credit, that surely is the last thing the minister wants to do. Let the minister have the power to discipline if he feels it necessary, well and good. But if the electorate send the council back then, Sir, they ought to be allowed to do so. And, as I say, there are at least two famous precedents in British history where in each case the electorate had their way and surely it should be so in this too.

MR. WINDSOR:

Mr. Speaker, I can only reiterate what I said is that, you know, it may well be that an electorate might choose to vote that council back in.

MR. ROBERTS:

Sure, yes.

MR. WINDSOR:

And why would they not if they are providing you all kinds of services at a very low tax level.

MR. ROBERTS:

Sure.

MR. WINDSOR:

But, you know, the financial responsibility of the Province is paramount.

MR. ROBERTS:

But the minister has other controls.

MR. WINDSOR: The Department of Municipal Affairs and Housing is responsible.

MR. ROBERTS: But the minister has other controls over finances and that.

MR. WINDSOR: Totally unacceptable, Mr. Speaker.

MR. STIRLING: But does the minister agree though that the draftsmen representing the Federation of Municipalities, first on that committee that you referred, made that point right to the end that that should be changed?

MR. WINDSOR: I have no idea, Mr. Speaker, I did not sit on the committee. I do not know.

MR. STIRLING: No, no. But I mean that is one clause that they did ask to have changed.

MR. WINDSOR: The draftsman, the one Federation member may have. I have no idea. He may have.

MR. STIRLING: But if it is important to them -

MR. WINDSOR: The representative of the federation is not responsible for the financial position of the Province.

MR. STIRLING: No, no.

MR. WINDSOR: Mr. Speaker, the hon. member for Grand Bank (Mr. Thoms) made a number of points. He was concerned that the employee could be dismissed only for gross misconduct, I think, is what he said, town manager. Certainly that says that there, Mr. Speaker, but I refer to section, I think it is, section 58 as I recall and I would point out, dismissal of the town manager. The town manager, town clerk or department head may be dismissed by a vote of two-thirds of the councillors at a meeting called in accordance with subsection 2. The vote to dismiss is confirmed by a similar vote. In other words, there is a procedure set there for this.

This other section, section 60, the hon. gentleman referred to is for the suspension so that a town manager would not be suspended for two weeks on the whim of council for no reason at all. And obviously this is in there as a request from the Association of

MR. WINDSOR:

Municipal Administrators as I indicated earlier. We have tried to deal with all of these groups and tried to come up with a compromise. What we are trying to do here is give some protection as well to the town manager without taking away the rights of the council obviously to manage that municipality. And I would suggest that the sort of situation that would occur was

MR. WINDSOR: exactly what happened in two situations that I was forced to deal with this week, one in Corner Brook and one in Pasadena, where, you know, a decision was put before me to make, and I could only rule that there was no gross mismanagement, that there was no reason to take any particular action at that point in time. The same would apply here, and I had the support, for instance, in the case of Pasadena, the right of that particular council, because it says here in another section in the same area that a town manager - Section 57, "Town manager, town clerk and department heads hold office during the pleasure of the council". Obviously, Mr. Speaker, if a council is no longer pleased, then they have the right under Sections 57 and 58 and subsequent sections to take whatever action they deem necessary to run their municipality in accordance with good, acceptable procedures. So I hope that allays hon. gentleman's fears. It was a good question. Section 92 he referred to, the councillors are personally liable, I can only say, Mr. Speaker, that this relates to capital borrowing, so that if a province on the authority - do not forget - on the authority of this hon. House, when this House designates funding to the Department of Municipal Affairs and Housing for water and sewer projects or for road upgrading projects, if funding is subsequently allocated to a municipality and the council of that municipality takes that funding and builds a playground or whatever else, then I think it is only fair to assume that they should be held liable for that action.

MR. THOMS: (Inaudible) jointly and severally?
So you believe that you should be able to go against one person and get all the money back from that one person, his only remedy being to go back against the other members of the council.

MR. WINDSOR: It may well be that that action was taken by one person without reference to the rest of the council.

AN HON. MEMBER: (Inaudible).

MR. WINDSOR: Perhaps not. Anyway, so that is that one.

MR. THOMS: (Inaudible) same clause as for the government.

MR. WINDSOR: The hon. gentleman from Grand Bank (Mr. Thoms) also referred to the Public Tender Act, Mr. Speaker. What we are trying to do here is simply put municipalities under the provisions of the Public Tender Act, and what we are using basically the same provisions as the Public Tender Act with the exception that the amount for which it is not required to call tenders will be \$5,000 in this particular piece of legislation, whereas it is \$15,000 for the Province. The rationale for that is obviously the magnitude of the projects - the percentage of the total revenues and expenditures of the town in relation to the Province, so that we scale it down somewhat in accordance with that. Basically, all we are saying here is that the act should be in line with the Public Tender Act of the Province, that municipalities who are, after all, spending government funding through capital borrowings, guaranteed borrowing, that they should be bound by the same provisions of the Public Tender Act.

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

MR. THOMS: (Inaudible) the Public Tender Act is defective in that particular section. I think most of us will agree to that. I think even the, you know -

AN HON. MEMBER: The drafter.

MR. THOMS: - the drafter will agree that that particular act is defective, and are we going to carry this defect throughout just because - you know, it does not make sense.

MR. WINDSOR: No, I think we have to look at the Public Tender Act and policy of the Province, and if the Public Tender Act of the Province is amended then this act obviously could be amended accordingly. I do not think we should have different provisions applying to municipalities than the Province.

The hon. gentleman mentioned the fine of \$25 per day and said that there were cases where fines were more. That obviously only applies - that \$25 per day fine is for each offence, not necessarily per day. That person would have to be taken back to court each day and fined separately by the magistrate. The

MR. WINDSOR: big change in this particular section, Mr. Speaker, is that previously that section provided for imprisonment, and this is something that the Department of Justice and many magistrates were concerned about, in that in effect it became a debtor's prison.

MR. NEARY: You put him in the poorhouse instead of in jail?

MR. WINDSOR: Well, what we are saying is that we will not force law enforcement officers of this Province to go to persons that may well be senior citizens or whatever, and say that you will be taken off to jail because you have not paid your service fee or whatever. So the only amendment there is that the provision for imprisonment has been deleted.

Section 271, the hon. gentleman, I think, objected that there would be appointment of councillors by show of hands. This Section 271, I think, relates to a by-election in a community council. By-election procedures are exactly the same as the election procedures which provide for a secret ballot. The hon. gentleman should look at Section 268, it refers to that.

MR. THOMS: (Inaudible) section 21, the slight problem that I found in that section. That is where vacancy occurred in the mayors.

MR. N. WINDSOR: Yes, basically, all we are saying here, Mr. Speaker, is that a deputy mayor, who, in the absence of a mayor accepts all authorities and responsibilities of a mayor, on the vacating of the chair by a mayor, if he resigns then the deputy mayor automatically goes up there, particularly in the case where a mayor is elected by separate ballot, instead of having to go through a full election procedure, enumeration and the cost of all that. What we are saying is that if he is qualified to be elected as deputy mayor, surely he should be in a position, and he should know when he accepts that position, that he may well be called upon to accept the responsibility as mayor.

MR. THOMS: My question was what happens if he refuses? What happens if he refuses?

MR. N. WINDSOR: If he refuses, then he simply resigns and you choose one of the elected from the remaining councillors.

AN HON. MEMBER: Why should he resign?

MR. SPEAKER: (SIMMS) Order, please!

I hear some comments-I understood that leave was granted, is that correct?

MR. S. NEARY: No. The question now, Sir, the question.

MR. N. WINDSOR: Well, Mr. Speaker, if the hon. gentlemen do not want any information, I will gladly sit down.

MR. NEARY: I am fed up with your foolish nonsense!

MR. N. WINDSOR: Your colleague will not let me give it to you.

MR. SPEAKER: The hon. member for Burin - Placentia West.

MR. D. HOLLETT: On a point of clarification with the mayor being elected by separate ballots, the deputy mayor automatically steps up. It has advantages and disadvantages. But when the conventional council is elected, the council themselves elect a mayor, and really a deputy mayor I suppose is elected but by and large it is whoever

MR. D. HOLLETT: they can see fit to fill that position properly. I would suspect that it would still be in the best interests and also desirable by most councils if that same procedure could apply as there is now, if a person resigns or dies or something like that, the council has the right now to elect another mayor. I agree with the deputy mayor being mayor when it is a separate race, but I think the other point is a good one and you know yourself it has worked well and served well down over the years.

MR. N. WINDSOR: Really, what we are saying here is that the deputy mayor, when he accepts that office as deputy mayor, should know that it is possible that he may have to accept the responsibility of mayor and he should be there, really as the right hand man of the mayor so that he is fully familiar with all of the goings on, all of the dealings of the municipality, so that in that event he is in a position to step in there.

MR. D. HOLLETT: Just the same, Mr. Minister, that particular working relationship can change over a four year life of a council quite radically, and well I know it.

MR. N. WINDSOR: Obviously if the deputy mayor is not there then he cannot step into the position.

MR. G. FLIGHT: Clause 129.

MR. N. WINDSOR: Clause 129. Yes, the hon. gentleman talked on clause 129, the water and sewer rate as a portion of the mill rate. Again, Mr. Speaker, refer to page 298 of the Whelan report.

MR. S. NEARY: Is that your Bible you are looking at?

MR. N. WINDSOR: No, if the hon. gentlemen had been here when I started out, he would have heard me say that it was not a Bible, that I was only referring to parts of it and that we have not accepted it 100 per cent. Water and sewerage taxes, page 298, it says, "The commission recommends that there should be no statutory separation as is now the case between user rates and non-user taxes in connection with these particular service charges. Provision for such charges should be located in the taxation section." In other words, it should

MR. N. WINDSOR: Be included as part and parcel of the property tax and as such municipalities will be eligible for revenue grant on top of that.

SOME HON. MEMBERS: Hear, hear!

MR. G. FLIGHT:

(Inaudible) in a town that has got a real property assessment that there will be no water rate. If the minister wanted to interpret that recommendation, it could be interpreted to say that in a town that has a real property assessment-8 mils, 10 mils-that it is not necessary to have a water rate outside of that. The minister is now creating two levels of taxes based on the mil rate, based on the real property tax.

MR. N. WINDSOR: What I am saying, Mr. Speaker, is that it is possible now there will be a property tax. There will be an assessment of all of the property in the municipality. There will be a property tax for the purpose of raising general revenues and the water and sewerage tax will be another piggyback on top of that. So that in a municipality anybody who is serviced with water and sewerage will pay, for instance, 9 mils, and anybody who is not serviced with water and sewerage will pay perhaps, 7 mils.

MR. G. FLIGHT: 9 mils water rate.

MR. N. WINDSOR: No, 2 mils.-

MR. G. FLIGHT: Maybe 9 mils.

MR. N. WINDSOR: - on top of the 7 property tax. The fact is if a municipality can operate and maintain a water and sewerage system based on \$144 a year, which is the minimum, not the maximum as the hon. gentleman tends to imply and there are many municipalities that are charging more than \$144 a year in order to balance their accounts, that if \$144 is adequate to operate and maintain that system then \$144 by way of the equivalent property tax value will operate and maintain that system as well.

MR. G. FLIGHT: Why would not the minister leave some discretion for the councils?

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MR. N. WINDSOR:

The councils have all the discretion
in the world, they set their budget, they set their tax rate, they
decide the level of services that will

MR. WINDSOR:

be provided. They will have complete control, Mr. Speaker. They could have no more discretion than they will have now. They will have far more discretion than they had on the original legislation, and the underlying factor of this piece of legislation, Mr. Speaker, is that it puts autonomy in the council, it gives the control of the municipality to the people who are elected by the municipality to control that municipality.

I move second reading.

On motion, a bill, "An Act To Amend, Revise And Consolidate The Law Relating To The Establishment And Administration Of Municipal Government In The Province,"

AN HON. MEMBER: Division.

SDCW HON. MEMBERS: Oh, oh!

MR. SPEAKER(Simms): Order, please! Call in the members.

Is it agreed to call it ten minutes?

SOME HON. MEMBERS: Agreed.

DIVISION

MR. SPEAKER: Is it the pleasure of the House that the said bill be now read a second time? Those in favour of the motion please rise.

The hon. the Minister of Lands and Forests, the hon. the Minister of Social Services, the hon. the Minister of Consumer Affairs and Environment, the hon. the Minister of Public Works and Services, the hon. the Minister of Tourism, the hon. the Minister of Labour and Manpower, the hon. the Minister of Municipal Affairs and Housing, the hon. the Minister of Finance, the hon. the President of the Council, the hon. the Minister of Transportation and Communications, the hon. the Minister of Rural, Agricultural and Northern Development, the hon. the Minister of Education, Mr. Doyle, Mr. Stagg, Mr. Barrett, Mr. Carter, Dr. Twomey, Mr. Dawe, Mr. Patterson, Mr. Aylward, Mr. Woodrow, Dr. McNicholas, and Mr. Baird.

MR. SPEAKER: (Simms) Those against the motion, please rise.
Mr. Flight, Mr. Hodder, Mr. Lush, Mr. Roberts,
Mr. Neary, Mr. Thoms, Mr. Rideout, Mr. Hollett, Mr. Stirling, and
Mr. Warren.

MR. SPEAKER: I declare the motion carried.

SOME HON. MEMBERS: Hear, hear!
On motion, a bill, "An Act To Amend,
Revise And Consolidate The Law Relating To The Establishment And
Administration Of Municipal Government In The Province," read a
second time, ordered referred to a Committee of the Whole House on
tomorrow. (Bill No. 58)

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

MR. MARSHALL: Mr. Speaker, I move the House at its rising do adjourn until
tomorrow, Wednesday at three of the clock and that this House do now adjourn.

MR. ROBERTS: Your Honour, just as a matter of interest
and not of criticism of any individual in any sense -

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

MR. ROBERTS: - ought not the bar to be put across the House
during a division?

MR. SPEAKER: The new Standing Orders do not provide for
when the bar should be put up.

MR. ROBERTS: No, but our precedence - I do not know if
I have been present for every division since I have been a member,
obviously I have not, but I cannot recall ever having been present
for division when the bar was not put across the House because, of
course, the rule is that no member may enter or leave the Chamber once
Your Honour calls for division to begin. I certainly do not say it
in any criticism of any of the officers of this House.

MR. SPEAKER: I will take the matter under advisement and
comment on it tomorrow, but certainly the bells were not rung a second

MR. SPEAKER:

time and maybe that was where the misunderstanding occurred. I will check and confer with the Sergeant-at-Arms to give the member a statement tomorrow.

On motion the House at its rising do stand adjourned until tomorrow, Wednesday at three of the clock.