

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
THURSDAY, DECEMBER 15, 1983

The House met at 3:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER (Russell): Order, please!

ORAL QUESTIONS

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Transportation. It has to do with the ferry, the Inch Arran, that operates between Little Bay Islands and Shoal Arm. Would the hon. gentleman inform the House what the trouble is with this ferry that it has not operated since sometime yesterday morning?

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

MR. DAWE: Mr. Speaker, no, I would have to check with my officials to find out if in fact there is a problem and I will certainly report back to the hon. member.

MR. NEARY: A supplementary, Mr. Speaker.

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

MR. NEARY: Would the hon. gentleman also look into the possibility of having the Island Joiner take over the runs of the Inch Arran to transport people back and forth? I understand there is a big backlog of passengers there now, people waiting to get to see doctors and to visit hospitals and so forth. Would the hon. gentleman undertake to see if it is possible to get the other ferry to operate, not to Pilley's Island but to Shoal Arm?

MR. SPEAKER (Russell): The hon. the Minister of Transportation.

MR. DAWE: Mr. Speaker, there is a Director of Ferry Operations within my department. We are in daily contact, particularly with the ferry operations that the hon. gentleman just referred to, in that they are, in fact, operated by the department. What ever action is necessary as it relates to doubling up the use of the existing ferries out there, as has been done in the past up until the point in time where we just recently christened the Island Joiner for the Long Island service, if that indeed is necessary, then I will check, of course, but I am sure that department officials are on top of that.

MR. NEARY: Mr. Speaker, a supplementary.

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

MR. NEARY: Is the hon. gentleman aware that the people have already been in touch with the director referred to by the hon. gentleman but he has been unco-operative? The decision has been unsatisfactory to the people in Little Bay Islands so would the hon. gentleman see if it is possible to resolve the matter? That is why it is being raised in the House. Because the people are not satisfied with the decision they got. Now would the hon. gentleman tell the House if the problems with the Inch Arron have been ongoing problems? I understand that when the ferry had her annual refit they put ballast in the bow of the ferry that caused the stern part to come out of water and there are serious problems now developed with leaking from the shaft of the ferry. Would the hon. gentleman be able to enlighten the House if he is aware, if he knows anything about this, or is the hon. gentleman on top of it at all?

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

MR. NEARY: Mr. Speaker, it is amazing how quickly the Leader of the Opposition (Mr. Neary) has become familiar with the ferry system in this Province. Mr. Speaker, also within the department we have some specific marine mechanics stationed in the Grand Falls office whose responsibility it is to look after the maintenance requirements of the vessels in our system, something that was not in place until just recently, During refit we have been in contact with the residents of the islands that are serviced. We are in constant contact with them, and recommendations that they make as they relate to the particular vessels,

MR. NEARY: how the service can be improved, how various structural defects, if they are defects of the vessels can be improved and this is an ongoing process. What the Leader of the Opposition (Mr. Neary) is saying I am not familiar with and I can only assume it is heresy on his part but certainly I will check into it and if there is any cause for any concern or any action to be required it will certainly be done.

MR. NEARY: Mr. Speaker,

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

MR. NEARY: Mr. Speaker, a supplementary.
When it comes to ferry systems,
I believe, Mr. Speaker, I am as familiar with ferry systems
as the hon. gentleman. I spent half of my life crossing
back and forth to Bell Island on the Portugal Cove Tickle
on a ferry when the hon. gentleman was wearing diapers,
Mr. Speaker.

But let me ask the hon.
gentleman a supplementary, because this is not heresy. The
information comes from the people in Little
Bay Islands. Would the hon. gentleman ensure the House
that before this ferry is put back into operation that his
department will make sure that the leak has been stopped and
that the ferry is seaworthy?

MR. SPEAKER : The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, that assurance
has always been present. And I understand - I just checked
with the office, in fact - the people of Long Island and
Little Bay Islands, particularly, have been informed that
if the problem is not adequately corrected by tomorrow then
certainly the Island Joiner will be servicing both areas.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: Mr. Speaker, a supplementary.
That may be so, that the Island Joiner will be servicing both
areas, but will the passengers from Little Bay Islands be
taken to Shoal Arm instead of Pelley's Island which is an
hour and a half drive from Springdale? These people, if the
service is implemented, want to go to Shoal Arm where it

MR. NEARY: is only three-quarters of an hour on the ferry and half an hour or so to Springdale by car rather than an hour and a half.

MR. SPEAKER (Russell): The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, the details of how that particular process are to take place are being worked out by the staff officials who are dealing with it on a daily basis.

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

MR. NEARY: Mr. Speaker, I want to return for a few moments to the Green Bay ferry fiasco we talked about yesterday during the Oral Question Period to see if I can get some satisfactory answers from the hon. gentleman today. Could the hon. gentleman tell the House what was the matter with the ferry Green Bay Transport II that caused the value of the ferry to drop so drastically from \$678,000 down to \$250,000? What was wrong with the ferry?

MR. SPEAKER: The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, what is indicated in the booklet is, I guess, an estimate of perhaps what the vessel would fetch on the open market. In essence there were three appraisals done during the negotiations for the purchase of that particular vessel. Two the department had done were two different

MR. DAWE: Two that the department had done, two different ones were about \$100,000 apart. One estimate put the value of the vessel at just over \$500,000 and the other estimate just over \$400,000; the exact amounts I can certainly make available to the House.

At the same time, the owner of the vessel had an appraisal done by an appraisal firm that appraised the replacement value of the vessel at some \$1.25 million. So the amount shown, the \$250,000, is an estimate that someone came up with of what the vessel may fetch if it was being sold as is, where is. So there is some discrepancy in those particular figures.

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

MR. NEARY: Mr. Speaker, I thank the hon. gentleman for that information, but then my question really had to do with the final figure that was agreed on, which I think was the market value of the ferry, \$250,000. Why did the value of the ferry drop so drastically? What was wrong with the ferry, that is what I am asking the hon. gentleman, that caused it to drop down to a value of \$250,000?

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

MR. DAWE: Mr. Speaker, as I understand it, as I indicated there were three appraisals actually done, two of them for the department by an appraisal firm in basically the same area of \$500,000 and another one done by the company which indicated that the value of the vessel was \$1.25 million. There is no indication from that. It is not uncommon when you are negotiating the price of a particular commodity to have appraisals done, one by government - in this case we had two done - and one by the owner and to either negotiate or to

MR. DAWE: have through arbitration a figured reached that is mutually acceptable to both sides. So there is no indication that the value of the particular vessel dropped from any point in time.

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

MR. NEARY: Mr. Speaker, could the hon. gentleman tell the House where the Auditor General got the figure of \$250,000 as the appraised value of that ferry?

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

MR. DAWE: Mr. Speaker, that question is perhaps better directed to the Auditor General.

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

MR. NEARY: Mr. Speaker, a supplementary. Would the minister then tell the House why the ferry was sold for one dollar? If it was valued by two appraisals done by the hon. gentleman's own department and an appraisal done by the owner, why was it sold for one dollar?

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

MR. DAWE: Mr. Speaker, as hon. gentlemen will realize, the Marystown Shipyard, who are now the owners of the vessel, had a specific use for the vessel. There are very limited uses for ferryboats, the marketplace is not that open. Certainly the market for ferry vessels itself suitable for particular services is not that vast either, and a practical, legitimate use was identified that that vessel could perhaps be better used for and enquiries were made by the Marystown Shipyard people if in fact they could acquire that vessel and that is what government did with it.

MR. NEARY: A supplementary, Mr. Speaker.

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

MR. NEARY: Well then, will the hon. gentleman tell the House what will be done with the ferry? Obviously it dropped from a market value of \$400,000 or \$500,000 -

MR. TULK: \$678,000.

MR. NEARY: Well, \$678,000 was the original figure, then appraisals done by the minister's own department valued it at \$400,000 or \$500,000, and by the owner \$1.25 million. It went from that down to \$1.00. Now what will happen to the ferry? What are they going to use it for? What?

MR. SPEAKER: The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, I will respond again, The Marystown Shipyard is owned by the Province of Newfoundland and Labrador as a Crown corporation. We did not give it away to just anybody, it was identified by the Marystown Shipyard as being of use to them. Perhaps the hon. gentleman may refer his question directly to the Marystown Shipyard. All I can indicate to him is that the vessel will be used as a vessel that will be used by crews

MR. DAWE: in servicing the vast number of oil rigs that will be into Marystown as a result of the policies of this government.

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

MR. NEARY: Mr. Speaker, this is absolutely incredible. Is the hon. gentleman saying that they gave that ferry to the Marystown Shipyard for \$1.00, not knowing what it was going to be used for?

MR. DAWE: No.

MR. NEARY: Well, I asked the hon. gentleman to tell me what it was going to be used for.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Let the hon. gentleman answer the question.

MR. SPEAKER: The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, perhaps one of the identifiable problems of the Leader of the Opposition (Mr. Neary) is that he just does not listen. I indicated that the vessel will be used as a part of the Marystown Shipyard activity in servicing oil rigs in the harbour of Marystown. At the present time people have to be

MR. DAWE:

transported at meal times and various other times of the day, and there is some labour loss, some time loss and some inefficiencies created by people having to move back and forth. This vessel will be adequately equipped by Marystown Shipyard they have looked at it, they have identified the changes they wish to make that will make that vessel very serviceable for their use. The crews and equipment will be able to be transported out, the men will be able to stay in position at the rigs and be able to carry out their activities that much more efficiently.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. Leader of the Opposition.

MR. NEARY:

Obviously, Mr. Speaker, as my colleague says, the ferry does not need Canadian Steamship Inspection approval to do that, they are hiding it away down in Marystown.

MR. DAWE:

That is not true.

MR. NEARY:

The hon. gentleman can get as saucy as he wants and he can try to intimidate as he wants. But let me ask the hon. gentleman if he knew, or if anybody in his department knew that operating expenses and subsidies were being paid out while the ferry boat was idle, while it was tied up? Did the minister know that that was being done?

MR. SPEAKER:

The hon. Minister of Transportation.

MR. DAWE:

Mr. Speaker, that is not

MR. DAWE: true, as I indicated, and I refer the hon. gentleman back to the responses in the red book which answers the particular question which he just asked.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, the pages that were put in the red book after the department had made its original response do not indicate answers to the questions that I just put to the hon. gentleman. I want to know if the hon. gentleman knew, and if he knew when did he find out, that operating subsidies and expenses for the refit of that ferry were being paid out while the ferry was idle? Was the hon. gentleman aware of that or anybody in his department aware of it?

MR. SPEAKER (Russell): The hon. the Minister of Transportation.

MR. DAWE: Mr. Speaker, 42b (iii), and I will read it for the hon. gentleman. 42b (iii) says, "The Auditor General's point here is somewhat misleading. The Department subsidized the operations of the old vessel but only the bank loan, insurance, and a watchman's salary for the other vessel." Just in case the hon. gentleman could not read it himself.

As it relates, Mr. Speaker, to the hon. gentleman's allegation that the responses in the red book are not the originals or that they have been tampered with in some way, I would just like to take the opportunity now if I could to clear up that particular point. The Auditor General sends down to the various departments -

MR. NEARY: That is not the question I asked you.

PREMIER PECKFORD: You made an allegation in your preamble.

MR. SPEAKER: Order, please!

MR. DAWE: Obviously, Mr. Speaker, the members of the Opposition do not want truth, they do not want to be blinded by facts, it confuses their allegation and their innuendo. In reality, Mr. Speaker, the Auditor General submits to the various departments an indication and a copy of his comments that he will make in his annual report and asks at that time for responses from the department.

A number of months ago we received from the Auditor General an indication that he would be asking certain questions or making certain statements in his report as it relates to our department, and the responses

MR. DAWE: were forwarded. Unfortunately, Mr. Speaker, the efficiency of the Minister of Finance (Dr. Collins) and his department compiling their departmental responses already had the booklet prepared. The Auditor General subsequently, only within a matter of the past number of days, about two weeks. I would suggest, indicated to our department that he would indeed be making a comment as it relates to this particular situation - long after the responses had been compiled by the Department of Finance, long after the booklet had been in the process of being published, Mr. Speaker, to avoid duplication and going through the whole booklet and renumbering the pages, the efficiency of the Department of Finance came through again and instead of renumbering the pages they identified the pages as 42a, 42b and 42c. Mr. Speaker, it is a very simple explanation and I do not know why the hon. member would think anything different.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER (Russell): A supplementary, the hon.

the Leader of the Opposition.

MR. NEARY: Is the hon. minister saying that it was the Auditor General's fault that they had to add additional leaves to the pages of this red book -

PREMIER PECKFORD: That is really heavy stuff.

MR. NEARY: Yes, I will cover it, do not worry! I want to get to the bottom of this, I will cover it.

SOME HON. MEMBERS: Oh, oh!

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

MR. NEARY: - that the Auditor General did not give the usual notice to the department so that they could respond as they did respond to all the other items that would be in this annual report, that it was a last minute type of thing, it was kind of an afterthought on the part of the Auditor General to put it within a few days before he submitted his report to the Minister of Finance (Dr. Collins) for tabling in this House? Is that what the hon. gentleman is saying?

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

MR. DAWE: Mr. Speaker, I certainly did not indicate that it was the Auditor General's fault. What I indicated was that the indications from the Auditor General that certain questions would be asked of the department were identified a number of months ago. In this particular case, it was only a very short while ago, in the past couple of weeks or so, that the Auditor General indicated that, in addition to the items that he mentioned previously, he would be identifying this particular issue in his report, and,

MR. DAWE: subsequently, asked for a response. That response, Mr. Speaker, went to the Auditor General, It also went to the Department of Finance, which was compiling the departmental responses and had already completed their booklet; the book had already been put through the publishing procedure, so instead of going back and renumbering all the pages, as I indicated, they just slipped in the other pages numbered 42a, 42b and 42c.

MR. NEARY: Mr. Speaker.

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

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, just so there will be no doubt in anybody's mind, is the hon. gentleman saying that it was only about two weeks ago that the Auditor General raised this matter of the Green Bay ferry fiasco, and so it was only in the last two weeks that the hon. gentleman's department had an opportunity to react to the Auditor General's comments on this ferry fiasco, it all happened within the last two weeks? Can the hon. gentleman confirm that that is what he is saying?

MR. SPEAKER (Russell): The hon. Minister of
Transportation.

MR. DAWE: Mr. Speaker, what I am doing
so as not to be accused of somehow misleading the House, I
am having it checked now to see the exact time when we
received the indication from the Auditor General. And
if you want the specific day and when we received it, I will
certainly make that available to the hon. member before the
House closes.

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

MR. NEARY: That will be fine, Mr. Speaker.

Now getting back to the operating
subsidies and so forth, the expenses and so forth.
The hon. gentleman obviously knew but he will not
tell us, when he found out that the operating subsidies
and expenses were being paid out. But we understand, Mr.
Speaker, that part of the agreement with this company was
that they would sell the Green Bay Transport I and it would
be deducted from the amount of money that was guaranteed by
government at the bank. Why did the government continue to
pay subsidies on a ferry that was supposed to have been sold
to offset some of the loan at the bank? Why did they continue
to do that? The agreement was that the government would put
up the money to purchase this ferry and that so much would
be deducted, \$170,000, I think, as a result of the sale of
the original ferry. Why was that not done? And why did the
minister continue to pay out subsidies and operating expenses
on a ferry that should have been sold so that the government
could recover some of its money?

MR. SPEAKER: The hon. Minister of
Transportation.

MR. DAWE: Mr. Speaker, it seems as though I will have to read for the hon. member the passage. If he will look at 42b (iv), "The old vessel was not sold because it was necessary to maintain the service. While it is conceivable that the new vessel could have continued, it must be understood that restricted capabilities rendered her less suitable than the old vessel at a substantially greater operating cost. Had the old vessel being sold to a new operator to run the service, the Department would have been required to cover the financial depreciation cost to the new owner through a subsidy arrangement leaving Government in the same net position."

SOME HON. MEMBERS: Oh, oh!

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

MR. NEARY: Now, Mr. Speaker, we now have a change. The minister now acknowledges that there had to be a change in the agreement and when that change took place then, obviously, the hon. gentleman and the administration must have known that the Green Bay Transport II was not suitable for that operation.

Now, let me come back to the question again, because the subsidies and operating expenses which were enormous, Mr. Speaker, were paid out for two ferry boats. Now when the hon. gentleman found that out, why did he continue to pay operating expenses and operating subsidies for a ferry that he knew was tied up, that was idle?

MR. SPEAKER (Russell): The hon. the Minister of Transportation.

MR. DAWE: Mr. Speaker, the answers again are in the book. I do not feel that this is particularly a good afternoon for a reading lesson, but I refer the hon. member to the passages, to pages 42a, 42b and 42c. The explanation for all those things is there for the hon. member to read and hopefully to be able to interpret with some intelligence.

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

MR. NEARY: Mr. Speaker, you talk about arrogance and sauce! Now, Mr. Speaker, would the hon. minister be prepared to table the contracts with this company, with these people; to table all matters related to this agreement, correspondence, agreements, letters and contracts with this company? Would the hon. gentleman be prepared to lay all these matters on the table of this House?

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

MR. DAWE: Mr. Speaker, the Leader of

MR. DAWE: the Opposition (Mr. Neary)
is obviously trying to develop this into some kind of a political game that he is playing. The fact of the matter is, Mr. Speaker, as I indicated yesterday, this particular administration is very proud of the process we are involved in as it relates to the Auditor General and the way the Auditor General's office investigates the expenditure of public funds. In addition to that, Mr. Speaker, there is an avenue, through the Public Accounts Committee which has the opportunity in reviewing the

MR. DAWE:

Auditor General's Report to investigate very thoroughly any comments that the Auditor General makes as it relates to any department. And, Mr. Speaker, the last time, as I recall, there were calls for a public enquiry in this particular House of Assembly it was by a former Chairman of the Public Accounts Committee who screamed for a public enquiry as it relates to one Dr. Tom Farrell and a fire incident. I would like to remind the hon. House where Dr. Farrell is at this time and where the person is who made that allegation.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: Mr. Speaker, you talk about contempt! The hon. gentleman is insulting the intelligence of the people of this Province, Mr. Speaker. This House is supreme. We appoint the Public Accounts Committee. We also appoint the Auditor General. I am asking the hon. gentleman if he will table all documents in connection with this matter here in the House of Assembly so that all members will have access to these documents. Why would the hon. gentleman refuse to table these documents?

MR. SPEAKER: The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, I am certainly not refusing to table the documents. I just indicated to the hon. member that there is a process in place whereby these documents will be made available to the Public Accounts Committee and to the public in general. And I would suggest that the hon. member, and the members of the Opposition, address themselves to that process.

MR. SPEAKER (Russell):

the Opposition.

The hon. the Leader of

MR. NEARY:

does not understand the system very much. The process in place is this House, and that is where the documents should be tabled, in this House. And let it be recorded the hon. gentleman is refusing to table the documents so that members of this House can have access to these documents, Mr. Speaker.

Now, Mr. Speaker, let

me ask the hon. gentleman how many other ferry operators, other than this particular operator, did the government guarantee the banks that they would be responsible for total payment of loans and guarantees that were made to purchase ferries to amortize the principal and the interest on these loans? How many other operators in this Province was that kind of a shady deal made with?

MR.SPEAKER (Russell): The hon. Minister of Transportation.

MR.DAWE: Mr. Speaker, perhaps a little bit of background information. Had hon. members opposite listened -

SOME HON MEMBERS: Oh, oh!

MR.SPEAKER: Order, please!

MR.DAWE: It is interesting to note, Mr. Speaker, as well, that the Leader of the Opposition (Mr. Neary) who screamed, Mr. Speaker, and indicated that perhaps allegations made in this House should not be subject to immunity, refused to make allegations outside the House similar to the ones that he is making today.

SOME HON.MEMBERS: Hear, hear!

MR.SPEAKER: Order, please!

MR.DAWE: Mr. Speaker, there is a long history behind the operation of the various ferry vessels and the intraprovincial ferry system in this Province. It has a number of twists, and most of the twists, Mr. Speaker, were the result of negotiations that went on through former provincial administrations, and also through the federal government who operated just about all of the intraprovincial ferry systems. And, Mr. Speaker, the kind of arrangement that was made with the other ferry operators was certainly not unlike the one which was entered into with this particular service in that the federal government guaranteed through contracts, long-term contracts, through government subsidies that the vessels would be paid for, the principal and interest would be paid for through the subsidies, refit would be paid for through the subsidies. Mr. Speaker, if a boat needed a new engine, all the

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MR.DAWE: owner had to do was to come in and pick up a new engine and this would be dumped into the subsidy that the taxpayers had to pay. That was the kind of arrangement that we had, Mr. Speaker, before this

MR. DAWE:

particular administration took over and reassessed the whole system. Unfortunately we - well, of course, we should not have done it - but we assumed that perhaps the federal government had been involved in the process so long that they perhaps had worked out a reliable system. Unfortunately it was not, and our studies indicated, Mr. Speaker, that we should not be involved in the kind of long-term subsidies and guaranteeing an individual that they could operate a vessel and at the end of the process would own the vessel and the taxpayers would be out the price of that vessel over time and also be in a position to have to purchase a new vessel. So it was based on that information that this administration decided that it would, in future, purchase its own vessels, make the capital output right up front, and operate them in one of two ways. We would either operate them as a government, through the Department of Transportation, or we would own them and operate them through a management kind of a system, and that is the process which we are following and will continue to follow, Mr. Speaker. But the boats that we took over from the federal government, the operations that we took over, were essentially the same kind of an operation, the same kind of an arrangement that was made with the operator of the Green Bay Transport II in that they were long term subsidies. but in the long run the net result was that the taxpayers of this Province, the taxpayers of Canada were in a position whereby they paid off the principal and the interest on that vessel through subsidies, they took care of the insurance through subsidies, they took care of refit through subsidies, and at the end of the process, Mr. Speaker, the owner would have the vessel and the Province, or the federal government in the initial sense, would be left

MR. DAWE: without a vessel and the owner with a fairly tidy profit in his hands. Mr. Speaker, we did away with that process and are now in the process of changing it completely in our system.

MR. SPEAKER (Russell): Order, please!
The time for the Question Period has expired.

SOME HON. MEMBERS: Oh, oh!

SOME HON. MEMBERS: By leave! By leave!

PREMIER PECKFORD: A point of order, Mr. Speaker.

MR. SPEAKER: Order, please! Order, please!
The hon. the Premier on a point of order.

PREMIER PECKFORD: Mr. Speaker, would the hon. the Leader of the Opposition (Mr. Neary) like to ask me a question about the Green Bay ferry system?

SOME HON. MEMBERS: By leave! By leave!

MR. NEARY: Mr. Speaker.

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

MR. NEARY: To that point of order, Mr. Speaker. If I wanted to ask the hon. gentleman a question, I would ask him about the 200,000 Christmas cards that he had printed to send out to householders in this Province that have been put through the government's shredder.

PREMIER PECKFORD: To that point of order, Mr. Speaker.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, the Leader of the Opposition has not got courage. He can say inside this House what he would not say this morning or last night outside this House to try to discredit me and my character. He has

PREMIER PECKFORD:

not got the intestinal fortitude to go outside to do it but he will get up and try to slur me here. Now I challenge the Leader of the Opposition (Mr. Neary) to put his money where his mouth is.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: Either do it outside of the House - put your money where your mouth is, you creep! - Mr. Speaker, or/and , and not or, and have the nerve to ask me a question tomorrow in this House of Assembly dealing with The Green Bay ferry service when he was a member of the Cabinet of Mr. Smallwood.

SOME HON. MEMBERS: Hear, hear!

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

MR. SPEAKER (Russell): Order, please!
The hon. Leader of the Opposition to the point of order.

MR. NEARY: Mr. Speaker, I guess the only conclusion we can come to is that we have gotten to him. The hon. gentleman -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: The hon. gentleman can threaten us all he wants, but the fact of the matter is that the hon. gentleman does not have the courage to have a royal commission of inquiry into this matter. Set up a royal commission of inquiry if the hon. gentleman has nothing to hide, if he is so brave, if he is such a brave soul, such a fighter, let him have a commission of inquiry into this whole matter, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. the Premier.

PREMIER PECKFORD: (Inaudible) that the Leader of the Opposition (Mr. Neary) brought any evidence to show that anything on this ferry system since this government took over was done irregularly, wrong, illegally, let him say it in this House or outside of this House. Why will not the Leader of the Opposition say outside this House what he said yesterday inside this House? Why will he not, Mr. Speaker? If the Leader of the Opposition has all the answers to this and all of the information, let him do that.

Mr. Speaker, set up a royal commission or a public inquiry based upon a vague, broad allegation that the Leader of the Opposition would make in this House but has not the audacity to make outside this House!

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: That is the inconsistency.

Now I ask the Leader of the Opposition again, Mr. Speaker -

MR. NEARY: Do not point your finger at me.

PREMIER PECKFORD: - will he ask me a question tomorrow about the Green Bay ferry service and how it was established when he was a member of the Smallwood Cabinet?

SOME HON. MEMBERS: Hear, hear!

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

MR. SPEAKER (Russell): Order, please! Order, please!

This could go on for some while and the Chair is not about to sit here and hear a debate between the hon. the Premier and the hon. Leader of the Opposition. The Premier rose on a point of order which was indeed not a valid point of order.

MR. NEARY: Mr. Speaker, I wish to raise a point of order myself.

MR. SPEAKER (Russell): The hon. Leader of the Opposition on a point of order.

MR. NEARY: Mr. Speaker, the hon. gentleman -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: The hon. gentleman under the guise of a point of order said that the allegations, the accusation had been made by the Leader of the Opposition. That is not true.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: The charges and allegations were made by the Auditor General of this Province.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: The Auditor General is a servant of this House as I understand it, completely independent, impartial, does not toe any party line, Mr. Speaker, and it was the Auditor General who raised this matter and not the Opposition. Although we raised it previously, we could not get the Minister of Transportation (Mr. Dawe) to table the agreement. We asked for these agreements about six months ago.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: I know the Premier is beside himself today, that he is testy, that he is smarting under this alleged scandal, Mr. Speaker -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. NEARY: and he is trying to weasel his way out of it. But I say to the hon. gentleman that, if he wants to clear his name -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. NEARY: - and remove the dark cloud, let him appoint a commission of inquiry and examine this whole matter, A commission that can send for witnesses, send for documents, take testimony under oath, Mr. Speaker, is that not the fair and sensible way to do it?

PREMIER PECKFORD: To that point of order, Mr. Speaker.

MR. SPEAKER: The hon. Premier to that point of order.

PREMIER PECKFORD: To that point of order, the hon. Leader of the Opposition says there is a cloud over my head or over my character. I have to tell the Leader of the Opposition if he is making that kind of a statement then obviously he believes that there is some irregular or unusual about this Green Bay ferry system. Now I say to the Leader of the Opposition, if he believes that, then let him say outside of this House what he said inside.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: Let him say it. Let him go ahead and say it. The Hon. Leader of the Opposition will not say it because he knows he has no evidence. Now, Mr. Speaker, that is number one.

Number two, I challenge the Leader of the Opposition tomorrow, as I said a few minutes ago, to let

PREMIER PECKFORD:

us get into the Green Bay ferry system. Let us get in to see how it got established in 1971, just before the election when one of his colleagues was about to run in Green Bay, and how that ferry system got started from funds from the Fisheries Loan Board. Let us get at this! Let us get at this!

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please! Order, please!

The Chair recognized the hon.

the Leader of the Opposition (Mr. Neary) on a point of order, which was indeed an attempt to carry on a speech and certainly was not a valid point of order.

o o o

MR. WARREN: Mr. Speaker, I would like to rise on a point of personal privilege.

MR. SPEAKER: The hon. the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, the Canadian Broadcasting Corporation, in a letter in today's Daily News, has issued against my personal character a serious charge. The letter was written and signed by the Regional Manager of Communications for the CBC, Mr. John O'Mara.

In the letter, Mr. O'Mara has written the following: "Dear Mr. Warren: In debate in the House of Assembly November 24 as reported in The Daily News of November 25, you are quoted as saying it was 'disgraceful that people who work for the Federal Government and its agencies and the CBC are not paying school taxes'. This is not an accurate statement and

MR. WARREN: has done a grave injustice to our staff." Mr. Speaker, I spent part of this morning in Mr. O'Mara's office explaining to him how in fact it is he who has acted in such a way as to create an injustice against my person and character and that in fact his letter is inaccurate. The very first thing I pointed out to Mr. O'Mara was that, as the Public Relations Officer for the CBC in this Province, his lack of professionalism in this matter bothered me greatly. As a professional public relations agent, one would have thought that he would go through an intense period of checking for detail and accuracy before he issued his charge against me. Mr. Speaker, I pointed out to Mr. O'Mara that first of all, he did not call me personally to discuss my alleged comment with me; secondly, Mr. Speaker, he did not write me for clarification; thirdly, he did not ask for a copy of Hansard, which is available to anyone who would ask for it; fourthly, Mr. Speaker, he did not bother to get the facts from the three or four CBC reporters who cover this House daily; and fifthly,

MR. WARREN: Mr. Speaker, he did not even bother to call the news reporter who wrote the story for The Daily News to ask for details or clarification or enlargement on my comments. Now, Mr. Speaker, keep in mind this is the CBC we are talking about, and the man in question is a public relations officer for the CBC. So what did Mr. O'Mara do? What did he do? He based his letter of attack on me entirely upon The Daily News report and that alone.

That coverage was also badly lacking in quality, Mr. Speaker. The coverage was provided under the by-line of Mr. W.R. Callahan, and I have to admit here and now that he also misquoted me and left out a very important part of the story. His story, first of all, never, ever, ever mentions a most critical, important aspect - and I repeat what I am saying here although the member is in the House - of Ms. Verge's comment on this matter as it relates to the CBC. But Mr. Callahan did see fit to put it in a misquote from me.

He reported as follows on November 25, "Garfield Warren said it was disgraceful that the people who work for the federal government and its agencies and the CBC are not paying school taxes."

Now, Mr. Speaker, here is the exact words I said as quoted from Hansard. I have a copy of Hansard here, Mr. Speaker. The exact words that I said, "Mr. Speaker, I think it is a disgrace if we have the School Tax Authority in this Province, which I do not believe we should have, and there are people working with the federal government, or the CBC, or Crown corporations who do not pay the school tax." That is what I said, Mr. Speaker. The most important word in that sentence is the word "if"

MR. WARREN: which Mr. Callahan left out of the statement. The other sentences he left out of his reporting are those of the Minister of Education (Ms. Verge). Her words came before mine in the debate and in Hansard, and are in fact the source of the allegation that the CBC is getting away with breaching the school tax legislation and failing to pay their school taxes, which incidentally, Mr. Speaker, the CBC, through Mr. O'Mara, denies.

Mr. Callahan left the following statement by the Minister of Education out of his story altogether. Now, Mr. Speaker, I would like for you to keep in mind those words were uttered before I made any comments concerning the CBC.

Hansard quotes the Education Minister that day as saying the following in response to my question.

MR. MARSHALL: Mr. Speaker, I rise as a matter of privilege to the House, which has precedence over personal privilege.

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

MR. MARSHALL: Mr. Speaker, I have not interrupted the hon. gentleman because he has a right obviously to make a point of privilege, but I wish to quote to Your Honour, Beauchesne, page 117, "When a complaint is made of a newspaper, it is the practice in the House of Commons for the Member to rise on a question of privilege and to point out that he has been libelled or misrepresented. He may read as much of the article as it necessary to prove his case but he cannot go further. He is bound to confine himself strictly to the question of privilege."

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MR. MARSHALL: Now, Mr. Speaker, I do not want to constrict the hon. gentleman if he wishes to raise a point of privilege. I do not believe it is a valid one anyone. It is just a matter of personal explanation of

MR. MARSHALL: his position and his attitude toward an article, and it certainly is not a real, grounded question of privilege in the true sense. But the the reason I am getting up, Mr. Speaker, is that questions of privilege of this nature are, as the authority says here, to be confined strictly to the question of privilege. You are to ground, first of all, the grounds for the privilege and not get into the substance. Now, the hon. gentleman is really getting quite into the substance and the reason I get up is because I think the hon, gentleman has made whatever point he was making, which I do not believe, as I say, was a question of privilege, it was just a matter of explanation, and I do not believe he should take as much time of the House in doing it as he has been taking.

MR. SPEAKER (Russell): The hon. the member for Port au Port.

MR. HODDER: Mr. Speaker, I have never heard any such rule as a privilege of the House. The member for Torngat Mountains (Mr. Warren) was standing on a point of privilege. When he is standing on a point of privilege, only the Speaker can tell him that he must sit down. Mr. Speaker, as well, the member for Torngat Mountains had not gotten into the meat of his allegations and I think that the House Leader opposite (Mr. Marshall) was totally out of order and that he is now writing his own rules to govern the House of Assembly.

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

MR. MARSHALL: The hon. gentleman should read the book. There is obviously personal privilege and there is privilege of the House. There is personal privilege, personal to a member, and there is the privilege of all members collectively in the House, and the House itself.

MR. MARSHALL: I mean, this is accepted in parliamentary procedure, and the latter precedes the former.

MR. NEARY: That is the Marshall rule.

MR. SPEAKER (Russell): Order, please!

The hon. the member for Port au Port.

MR. HODDER: Mr. Speaker, there is no such rule as Mr. Speaker knows. And I should not have to get up to explain it, except that I cannot imagine that the House Leader opposite (Mr. Marshall), who has been in the House for about three times as long as I have, would come up with something as ridiculous as this.

SOME HON. MEMBERS: Oh, oh!

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

MR. HODDER: Mr. Speaker, a point of privilege is a point which governs a member's ability to serve in the House. There is no such thing as another new point of privilege. He should not have stood in his place.

MR. NEARY: Now he cannot find the rule.

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

MR. MARSHALL: Now, Mr. Speaker, I mean, the hon. gentleman is the longest parliamentarian in Newfoundland with the shortest future. I see it. Mr. Speaker, even through my bifocals, page 13 No. 21, in great, big capital letters. The hon. gentleman can perhaps see it from here: 'PRIVILEGES OF THE HOUSE'.

MR. DAVE: H-o-u-s-e.

MR. MARSHALL: Now, why, Mr. Speaker, is it privileges of the House if there is no such thing? The hon. gentleman should get up, Mr. Speaker, apologize to Your Honour, apologize to me, and his party should get up because they have uncharacteristically maligned, of all people, Mr. Callahan.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER(Russell):

The hon. the member for

Port au Port.

MR. HODDER:

Mr. Speaker, may I make

a final submission? Mr. Speaker, the first chapter in Beauchesne is 'privileges' - Definitions, Claims against the House of Commons, Privileges of the House. It is in big black letters, Mr. Speaker, but it does not refer to a new set of privileges. I would like Mr. Speaker, when he rules, to tell the House Leader (Mr. Marshall) what Beauchesne says.

MR. SPEAKER:

Order, please!

MR.SPEAKER (Russell): That point raised by the hon. President of the Council (Mr.Marshall) appears to be a little different than the ordinary. The hon. member for Torngat Mountains (Mr.Warren) did rise on a point of personal privilege. He is to confine himself to the substance of the privilege and he did appear to be straying somewhat from that, but I am prepared to hear him out for a few more minutes.

MR.WARREN: Thank you, Mr. Speaker, In fact, I am pretty well finished. As I was saying, Mr. Speaker, on the 24th of November the question that I asked the Minister of Education (Ms Verge), and I will repeat, 'Do federal government employees pay school tax?' That was the question I asked the Minister of Education and the minister's response, Mr. Speaker, is very important in this point of privilege, and this is what the minister said. The minister said, I have it underlined here and it is in Hansard, 'Effectively lots of federal government employees, and even some CBC employees, are getting away with breaching the school tax legislation and failing to pay their school taxes.' It was the Minister of Education who said that, not me.

MR.HOUSE: Which is right.

MR.WARREN: I do not care if it is true or not, but the Minister of Education said that and it is reported in Hansard.

SOME HON.MEMBERS: Oh, oh!

MR.SPEAKER: Order, please!

MR.WARREN: So you see, Mr. Speaker, according to Hansard it was the Minister of Education who made the charges here in the House attacking the CBC and not I. My statement came in the wake of this

MR. WARREN: categorical statement by the minister who is, by the way, I presume, the authority on school taxes in this House. Her statement was that the CBC breaks the school tax legislation in failing to pay school taxes. So naturally, Mr. Speaker, my reaction then, based on this, was this morning to go to visit Mr. John O'Mara at the CBC office. I must say at the beginning, Mr. Speaker, that Mr. O'Mara was man enough to personally apologize to me in his office and if he does what he said he is going to do, and I hope he will do, I will take his advice and I will accept his apology if it appears throughout the media tomorrow. And if that appears throughout the media tomorrow, I will accept his apology.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. WARREN: Mr. Speaker, I have also spoken to Mr. Callahan of the Daily News and he has also advised me that if he has incorrectly reported me, which he has done, that he will be making a retraction also. And, Mr. Speaker, I will accept that once I see in the print media tomorrow.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. WARREN: In conclusion, Mr. Speaker, I would like to say although it might not be in your power, Sir, that if the press in this Province is going to make accusations against any of the fifty-two members in this House, I would suggest, Sir, that the first thing the press should be advised, if they are going to make statements in the electronic or print media, Mr. Speaker, is to get their facts

MR.WARREN: If there is an accusation to be made, let them print the right person who they are going to make the accusation about. If the Minister of Education (Ms Verge) made this statement, let them print it was the Minister of Education, not the member for Torngat Mountains (Mr.Warren).

Thank you, Mr.Speaker.

SOME HON.MEMBERS: Hear, hear!

MR.SPEAKER (Russell): Order, please! To that point of privilege raised by the hon. member for Torngat Mountains,the Chair is of the opinion that he rose on a point of personal privilege to clarify matters that did appear in the paper and explain what had happened since that time,but had not,in the Chair's opinion,establish a prima facie case for a point of privilege.

MR.NEARY: Mr. Speaker.

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

MR. NEARY: I would like to raise a point of order, and I do not want to embarrass the Chair, but, Mr. Speaker, during the time my hon. colleague was making a presentation on a point of personal privilege, which supersedes everything else in the House, the Government House Leader (Mr. Marshall) rudely interrupted my hon. colleague and was allowed to plough on with another point of privilege. Now, Mr. Speaker, that, to our way of thinking, is wrong. I suppose what I am asking is some guidance from the Chair on that matter. From now on, will a member be permitted, when somebody is making a point of privilege, will a member be permitted to get up and make another point of privilege and interrupt the hon. gentleman who is making the original point of privilege? Because this is something new, Mr. Speaker, and, if we allow that precedent to stand on the record, then we will have chaos in this House. You know, nobody will be able to make a point of privilege anymore without somebody there opposite getting up and rudely interrupting that member. So I would like to have some guidance from the Chair. I am not asking a question of Your Honour, but certainly I believe the House should have some guidance from Your Honour on whether or not we are going to tolerate that kind of behaviour in this House in the future.

PREMIER PECKFORD: Mr. Speaker, to that point of order.

MR. SPEAKER (Russell): The hon. the Premier, to that point of order.

PREMIER PECKFORD: The House Leader for this side got up a few minutes ago. The Leader of the Opposition (Mr. Neary) has been in the House longer than I have, but obviously he has not learned the rules. The privileges of the House supercede the privileges of an individual member, and it was on that

PREMIER PECKFORD: grounds that the House Leader
(Mr. Marshall) got up.

MR. NEARY: Where does it say that?

PREMIER PECKFORD: It is on Page 13 of Beauchesne.

MR. NEARY: Read it. Read it out for us.

PREMIER PECKFORD: Number 21, " The most
fundamental privilege of the House as a whole is to
establish rules and procedures for itself and to enforce
them." That is the fundamental, the privilege of the House.

MR. NEARY: That is it, a point of privilege.

PREMIER PECKFORD: The House privileges come over
the individual privileges.

MR. NEARY: That is right. A point of
privilege supercedes everything else, that is what I said.
You cannot have two points of privileges.

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

MR. SPEAKER (Russell): The hon. the member for Port
au Port.

MR. HODDER: The privileges of the House
is exactly what was going on here. A point of privilege is
a privilege of the House. If something that allows a member
of the House not to be able to carry out his functions in
the House, that is a matter of privilege, it is a breach
of privilege, and the hon. member felt that his privileges
have been breached and he rose on a point of privilege.
That is a privilege of the House, of any member of the House.
I mean, the Premier surprises me as well as the House
Leader opposite.

MR. SPEAKER: To that point raised by the
hon. the Leader of the Opposition (Mr. Neary), the Chair
shall take it under advisement and rule on it later.

ORDERS OF THE DAY

MR. MARSHALL: Order 23, Bill No. 32.

MR. SPEAKER (Russell): Order 23, Bill No. 32.

The hon. the Minister of Public Works and Services (Mr. Young) adjourned the debate, and if he speaks now he closes the debate.

MR. YOUNG: Mr. Speaker.

MR. SPEAKER: The hon. the Minister of Public Works.

MR. YOUNG: First, Mr. Speaker, I would like to respond to some of the comments from the hon. the member for Torngat Mountains (Mr. Warren). Mr. Speaker, he was talking at some length - unfortunately he probably did not know what he was talking about - about Davis Inlet and buildings and so forth. This applies to the Public Tendering Act and any contracts that are let without tender, Mr. Speaker, is provided for in the act and it is reported to the Auditor General. I may say, Mr. Speaker, that I am very proud this year that the Auditor General never even mentioned the Department of Public Works and Services in his report.

SOME HON. MEMBERS: Hear, hear!

MR. YOUNG: Mr. Speaker, this act applies to goods and services and last year there was something over \$100 million spent by the Director of Purchasing. Now, Mr. Speaker, the Leader of the Opposition (Mr. Neary) dwelt at some length on Clause 8. Now, Mr. Speaker, what government was trying to do, which they did, Mr. Speaker, is adopted everything that the Mahoney report recommended. The Mahoney report recommended that the sum of \$1,000

MR. YOUNG: should be increased. Mr. Speaker, when we adopted the Mahoney report, if we had adopted the Mifflin report the hon. the Leader of the Opposition (Mr. Neary) would probably now be down in Panama with his buddy because he would not have been allowed in Newfoundland. Now, Sir, due to inflation what we will do now is that the Cabinet will from time to time set a limit on the amounts of money for going without public tender.

Now, Sir, before I close and move second reading, we probably should amend this act a little further to say that we will allow the Leader of the Opposition to go on public tender and, I am sure, Mr. Speaker,

MR. YOUNG: that that office or that member would receive a lot lower than the \$65,000 he is now receiving.

Mr. Speaker, I move second reading.

MR. NEARY: (Inaudible) low, dirty, rotten (inaudible) I hope the press will report (inaudible)

On motion, a bill, "An Act To Amend The Department Of Public Works And Services Act, 1973," read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 32)

MR. YOUNG: Mr. Speaker, on a point of order.

MR. SPEAKER (Aylward): On a point of order, the hon. the Minister of Public Works.

MR. YOUNG: Mr. Speaker, I just heard the hon. the Leader of the Opposition (Mr. Neary) say that my remarks were low, degraded and so forth. Well, I would like, Sir, for him to go back to Hansard and see what he said about me on Tuesday evening. Mr. Speaker, I am honest enough and sincere enough in this hon. House and I do not want to take any dirt from the Leader of the Opposition.

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

MR. SPEAKER: The hon. the Leader of the Opposition, to that point of order.

MR. NEARY: I only wish -

MR. YOUNG: (Inaudible) members. You were a crook then and you are a crook now.

MR. NEARY: Yes, and the hon. gentleman used to come over to Bell Island scrounging. The hon. gentleman used to scrounge and beg off us when he used to come to Bell Island. He was a scrounger, a freeloader.

SOME HON. MEMBERS: Oh, on!

MR. SPEAKER: Order, please!

MR. NEARY: Now, Mr. Speaker, that is not a point of order. It is too bad that the Government House Leader (Mr. Marshall) was not in his place, because I think the hon. gentleman knows better. Mr. Speaker, it just gave the hon. gentleman a chance to squirt some more bile across this House. The hon. gentleman has been a freeloader all his life, Mr. Speaker, he knows that. But, Mr. Speaker, there is no point of order, Perhaps the Government House Leader could teach ministers, especially ministers, the rules of the House.

MR. SPEAKER (Aylward): Order, please!
To that point of order, I rule that there is a definite difference of opinion between two hon. members.

MR. MARSHALL: Mr. Speaker, on a point of order.

MR. SPEAKER: The hon. the President of the Council, on a point of order.

MR. MARSHALL: The hon. gentleman, when he was addressing the point of order raised by the Minister of Public Works (Mr. Young), referred to the hon. gentleman in insulting terms, you know, called him a freeloader and various other types of epithets that come so easy to the lips of the hon. gentleman and contribute so much to the lack of decorum in this House, and that is the reason why the House gets in the condition it is in from time to time. Now, I call upon the hon. gentleman to retract that remark and if he does not, Mr. Speaker, I raise it as a point of order and ask Your Honour to consider asking him to withdraw it.

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

MR. SPEAKER: The hon. the Leader of the Opposition, to that point of order.

MR. NEARY: Mr. Speaker, I said nothing unparliamentary in this House. My remarks were within the rules of the House and, if hon. gentlemen will recall, I stated a few moments ago that it should be a matter of record in this House who goes on the personal attack, who the character assassins are on that side of the House. And the hon. the Government House Leader (Mr. Marshall), if he had been in his place, would have heard what the Minister of Public Works (Mr. Young) said before he took his seat, Mr. Speaker, that was low and rotten and I make no apology for using these remarks. It was character assassination of the lowest kind. And if the hon. gentleman wants to improve the decorum of the House, then he should warn his ministers not to make such irresponsible statements. Mr. Speaker, we intend to give them as good as they send, so if they cannot take it, I would say, if they cannot stand the heat, get out of the kitchen.

MR. YOUNG: To that point of order, Mr. Speaker.

MR. SPEAKER (Aylward): To that point of order, the hon. the Minister of Public Works.

MR. YOUNG: Mr. Speaker, I cannot understand the hon. the Leader of the Opposition (Mr. Neary) calling me a freeloader. I can remember, Mr. Speaker, when that man did not have enough money to buy a Coke over at Eddy's Snack Bar.

SOME HON. MEMBERS: Hear, hear!

MR. YOUNG: And if he wants to know, I got my dollar, Mr. Speaker, made my own money, and the hon. gentleman is jealous of it, that is all I can say. God forbid that he ever gets into a position. He was never able, Mr. Speaker, to run a business, not in his life. He does not know how.

MR. SPEAKER (Aylward): Order, please!

To that point of order,

I wish to remind all hon. members that it is not acceptable that any member of this House of Assembly use points of order to personally insult each other or attack each other.

To the point of order raised by the hon. the President of the Council (Mr. Marshall), I will check Hansard and see if there were unparliamentary terms used and I will make a ruling at a later date.

MR. HODDER: On a point of order, Mr. Speaker.

MR. SPEAKER (Aylward): A point of order, the hon. the member for Port au Port.

MR. HODDER: Mr, Speaker, I was sitting here while the exchange was going on and it was quite clearly heard on this side of the House that the hon. the member for Harbour Grace (Mr, Young), who is so rarely heard from, called the Leader of the Opposition a crook.

Now, Mr. Speaker, I refer you to page 105 in Beauchesne: 'Since 1958 it has been ruled unparliamentary to use the following expressions:' and on page 106 'crook' is stated there. I am sure, Mr. Speaker, that when you check Hansard his comment was loud enough that it was heard very clearly on this side of the House. I think the hon. member for Harbour Grace must withdraw that comment. Because, Mr. Speaker, that was the comment that led to the exchange afterwards.

MR. SPEAKER: Order, please! I just ruled that I would check Hansard and if any unparliamentary words were used I will ask hon. members to withdraw them. I will rule on it at a later time.

ORDERS OF THE DAY

Motion, second reading of a bill, "An Act To Amend The Municipal Grants Act", (Bill No. 52),

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

MRS. NEWHOOK: Mr. Speaker, bill No. 52 contains six amendments to the Municipal Grants Act clarifying those clauses where concern has been expressed regarding interpretation and also including further provisions for cost sharing of the fire protection provided by the St. John's Fire Department,

Our department, Mr. Speaker, has been carrying out the intent of the act. These amendments

MRS. NEWHOOK: will give a better understanding of the act, and this understanding has been recommended by the Auditor General,

Now, Mr. Speaker, Clause 1 clarifies the term "financial year" Clause 2 strikes out the reference to "per capita" as applicable to the social assistance and road mileage components of the general assistance municipal grants; Clause 3 clarifies the "tax incentive grant" in that it applies to municipalities which impose the real property tax, or a real property tax plus a water and sewer tax, and includes grants in lieu of these taxes; Clause 4 amends Section 5 of the original act, it deletes reference to "recovery of cost of police services" as these are provided without charge to all municipalities in our Province; and it also provides that the cost of fire protection provided by the St. John's Fire Department shall be recovered from the municipalities receiving these services by deduction from their tax incentive grant, and where there is no tax incentive grant, or this grant is insufficient, that these costs or the balance of these costs shall be applied against the general municipal assistance grant; Clause 5, Mr. Speaker, provides for the acceptance of an estimation of tax yield in the first year of the imposition of the real property tax for the purpose of paying the tax incentive grant, but that an adjustment shall be made in the grant when the actual tax yield is verified by an audited financial statement; and Clause 6, Mr. Speaker, deals with the interim subsidy grant provided in 1980, and also a phasing out of this subsidy grant so that the interim subsidy will terminate as of December 31, 1984,

These amendments, Mr. Speaker, as now written give a clearer interpretation or understanding of the act and are deemed to retroactive to April of 1980, I move second reading, Mr. Speaker,

MR. NEARY:

Mr. Speaker,

MR. SPEAKER (Aylward):

The hon. the Leader of the

Opposition.

MR. NEARY:

Mr. Speaker, we are not

going to delay the passage of this bill. It is a heavy

piece of legislation, Mr. Speaker, although the hon.

minister sort of dismissed it as more or less of a house-

keeping nature.

Clause 3 seems to bother us a bit. 'This amendment will clarify that grants in lieu of taxes which form one of the basis on which the tax incentive grant is calculated are grants-in-lieu of all of the taxes that a municipality may impose pursuant to its authority under the Municipalities Act and not just grants-in-lieu of real property tax and the water and sewerage tax.'

It seems to me that what the minister is doing here, Mr. Speaker, is protecting big business. If that is not

MR. NEARY:

so, then perhaps the minister will clarify this particular clause when the minister closes second reading debate. But my interpretation of this clause is that where a company, for instance like Price (Nfld.) or Iron Ore Company of Canada, when they make grants in lieu of taxes to a municipality, then what this clause will do will bar the municipality from imposing any other form of tax on that company. Is that the right interpretation?

MRS. NEWHOOK:

What we are saying is that grants in lieu be included in the revenue of the municipality so that the incentive grant can apply to the grants in lieu of taxes.

MR. NEARY:

I see. Okay. I got what the minister is saying now. Previously, with grants in lieu of taxes they could not get their per capita grants, that municipality could not make a claim against the public treasury for their incentive grants.

MRS. NEWHOOK:

No, it did not actually happen but the Auditor General wanted it clarified in the act.

MR. NEARY:

Is this right what I am saying now, that before a grant in lieu of taxes, say from Bowaters to the City of Corner Brook, or Price to the Town of Grand Falls, or the Iron Ore Company to the Town of Labrador City, they could not claim a per capita grant on these grants that they got from these companies?

MRS. NEWHOOK:

Oh, yes, they could since 1980.

MR. NEARY:

Well, how is this going to change it?

MRS. NEWHOOK:

It does not change it, it just clarifies the wording.

MR. NEARY: I see. But it does not bar the municipality from imposing a water tax or some other tax on that company.

MRS. NEWHOOK: No.

MR. NEARY: Okay. That is fine. I am glad to hear that, Mr. Speaker.

Let me ask the minister about the situation now in Labrador City where the municipality is taking an action against Iron Ore Company of Canada for additional taxes, substantial amounts of taxes that they claim they are owed by the Iron Ore Company of Canada. Could the hon. gentleman tell us the story behind that and give us -

MR. TULK: The hon. lady.

MR. NEARY: - the hon. lady rather. I will be accused again by the Minister of Education (Ms. Verge) for discriminating, I suppose.

MR. TULK: The hon. person.

MR. NEARY: The hon. lady.

MR. TULK: The hon. person.

MR. NEARY: The hon. person, the hon. minister. How is that? The hon. minister.

Mr. Speaker, I would like to get an up-date on the Labrador City situation. I am sure the minister can give us that information right off the top of her head because she seems to be very alert and on top of what is going on in the Province, which is a lot more than can be said about the minister in front of her, the Minister of Education, who seems to be in an ivory tower, did not even know that there were problems with student-aid. But not the Minister of Municipal Affairs (Mrs. Newhook).

December 15, 1983

Tape No. 4044

NM - 3

MR. NEARY: I will tell you one thing I
admire and appreciate about the Minister of Municipal
Affairs, and I saw that happen last week, that the
minister is the only minister over

MR. NEARY:

there who will give you a straight and honest answer. The rest of them like to play their little cute political games, as we saw again today with the Minister of Transportation (Mr. Dawe). And that will do them no good, because all they are doing is creating suspicion and doubt in the taxpayers' minds, that is all they do when they stonewall that way, and it gives us an opportunity to keep pressing on.

MR. DAWE: Why do you not read this?

MR. NEARY: The hon. gentleman can wave all the documents he wants, Mr. Speaker, I was never Minister of Fisheries or never Minister of Transportation in this Province, and neither was I a member of the Moores' administration, which was the most corrupt administration in Newfoundland's history. The hon. gentlemen want to put distance between themselves and the Moores' administration for all the wrongdoing that took place. If the hon. gentleman wants to hold me responsible for the flood, the tidal wave and the riot that took place, well, Mr. Speaker, if he wants to do that so be it.

MR. SPEAKER (Aylward): Order, please!

MR. MARSHALL: Mr. Speaker, a point of order.

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

MR. MARSHALL: The hon. gentleman is not being relevant. I mean, this is the Municipal Grants Act.

MR. SPEAKER: Order, please! To that point of order I do wish to remind the hon. Leader of

MR.SPEAKER (Aylward): the Opposition (Mr.Neary)
that we are discussing the Municipal Grants Act.

MR.NEARY: I just wanted to warn them
that it will do them no good, Mr. Speaker, that kind
of tactic, that kind of strategy will do them no good.
They have to answer for their actions whether they like
it or not. Mr. Speaker, I wanted to pay a compliment
to the minister. I mean this sincerely. It does not seem
to make any difference how much embarrassment it causes
the administration, this minister will give us straight
and honest answers. And you know, Mr. Speaker, that
is the way it should be.

MR. BUTT: A good minister.

MR.NEARY: A good minister as far
as that aspect of her responsibilities are concerned.
I cannot speak about the other parts of the operation
of that department. I do not know if the minister has
any authority in Cabinet or not, carries any weight with
her colleagues or not. You know, I have very grave
doubts about that, because the minister is probably
to sensible and to sensitive about the needs of the
people. So I doubt very much if that minister would carry
very much weight in Cabinet or have very much authority.
I think the minister would be sort of brushed aside by
the more potent, powerful, the bully boys. I think
that minister would be just shoved aside by the bully
boys on the other side.

MR.TULK: She was told last year that she could not
approve any plans for water and sewer projects in Liberal districts.

MR.NEARY: The minister was told
last year that she could not approve any water and sewerage
projects for Liberal districts. I did not know that. Well,
if that is so, Mr. Speaker, I am sorry to hear that the

MR. NEARY: minister was overruled by the bullies in the Cabinet, because that certainly is not the nature of the minister. I think the minister wants to be fair, wants to do the right thing and I believe the minister is supersensitive when it comes to the needs of the people of this Province. I feel sorry for the hon. minister in the Gander situation. The hon. minister is walking the tightrope on that one, riding the razor's edge, so to speak, and again is being bullied by her colleagues, the inner Cabinet. So I hope we will get an honest and fair statement, updating on what is happening in Labrador. Also, Mr. Speaker, while I am on my feet I have to say that in recent times, especially in the last several months, and what happened in Arnold's Cove again the other day brought it to mind - what is happening in this Province to municipalities that so many mayors and councillors are resigning? What is the reason behind it?

MR. NEARY: I think it is time to have a quorum call, Mr. Speaker. They are all out in a huddle. I think we will have a quorum call, what do you say?

MR. SPEAKER (Aylward): Call in the members.

QUORUM CALL

MR. SPEAKER: The three minutes have passed and there is a quorum present.

The hon. Leader of the Opposition.

MR. NEARY: Thank you, Mr. Speaker.

Mr. Speaker, in concluding second reading of this bill perhaps the minister can tell the House what is happening in the Province there are so many mayors and town councillors resigning. We have seen it happen twice, I believe, in Arnold's Cove - in how many months? In the last year, anyway, two councils have resigned in Arnold's Cove. And in Winterton we had a council resign. It seems to be happening all over the Province. And, Mr. Speaker, they are having difficulties getting people to run for town councils.

MR. MORGAN: Not in Bonavista.

MR. NEARY: The minister has had to exercise her authority under the act on a number of occasions in the past twelve months to appoint members of council because not enough councillors, not enough residents in a given municipality run for office to get a slate.

MR. TULK: You know why?

MR. NEARY: No. Why?

MR. TULK: They are refusing to take the flak from the government.

MR. NEARY: My colleague probably put his finger on the real problem, Mr. Speaker. The real problem, of course, is that this administration have forced town councils

MR. NEARY: to up their taxes, they have forced the town councils to impose a property tax, they have -

MR. TULK: And increase it every year.

MR. NEARY: - and increase it every year. They have forced the town councils to do that. While this administration say that they are not bringing in increases in taxes, they force the town councils to do it and the town councils have to take the flak. The administration will not take the flak, Mr. Speaker, they try to brush it off on the volunteers, on the dedicated people out there who are trying to do a job for their municipalities, for their towns. They expose the mayors and councillors to all kinds of harassment and blame for things that they should not be blamed for.

MR. TULK: They did it with the St. John's Municipal Council four or five years ago.

MR. NEARY: That is right. And I think that is morally wrong. You know, I am not blaming the minister for it, I think the minister is just as innocent victim of all of this. The hon. minister has to enforce the rules and the regulations and the laws that are made by the Lieutenant-Governor in Council, by the Cabinet, and the poor old minister then has to suffer. But I believe that the imposition of the property tax, Mr. Speaker, is the thing that has triggered an awful lot of mayors and town councillors to think twice about whether or not they want to serve on municipalities and town councils throughout this Province. And I believe the minister owes the House

MR. NEARY:

an explanation as to why so many mayors and town councillors have had to resign in recent times, especially in the last twelve months. Mr. Speaker, I think it is tragic when the administration have to go looking for people to serve on town councils. I think that is tragic, that the people cannot have the opportunity to elect their representatives by secret ballot. They are denied the opportunity to allow democracy to work because not enough people come forward because of the government's policy, the government's philosophy, the government's ideology, the government's shifting the blame for things that they are responsible for themselves off onto the municipalities. It is shameful, Mr. Speaker. They are trying to make tax collectors out of the mayors and town councillors. They are trying to make the mayors and the councillors do things that they do not have the courage to do themselves. They do not have the courage to do it. And we saw an example of that the other day when they sent a bill to the city of St. John's, one of amendments in this act, Mr. Speaker, dealing with this very matter, 'to clarify for the provision of fire protection and police protection'. They sent a bill to the city of St. John's, right out of a clear blue sky, that they had no idea they owed and as a result of that now the City Council will have to scrounge and scrape and cut back. And who will get the blame, Mr. Speaker, will it be the minister and the administration there opposite? Who will get the blame for the curtailment in services, and the increases in the water and sewer tax? It is only because of the good management of the mayor and the councillors in the city of St. John's that the property tax will not increase this year, only because of good management. I only wish that we had some of the members of the St. John's City Council here in this House looking after the finances of

MR. NEARY:

this Province , Mr. Speaker.

Here you have the largest city, the capital city not increasing the property tax because of good management. This administration could certainly take an example from what is happening in City Hall, and they should certainly be very concerned about what they are doing to the morale of mayors and town councillors throughout this Province.

Now, Mr. Speaker, I am not saying that in defence of the city of St. John's getting free fire protection or free police protection. Hon. members are aware that over the years, and this is one of the things, I suppose, that came with Confederation , St. John's had its own police force, had its own fire department, and it was paid for out of the Public Treasury, a privilege that did not apply to any other municipality in Newfoundland. And I had the opportunity and the honour on two occasions to be President of the Federation of Mayors and Municipalities, that was one of the feathers in my cap.

MR. TULK:

In your crown.

MR. NEARY:

In my crown.

MR. WARREN:

One of the many feathers.

MR. NEARY:

One of the many as a person in public life in this Province. Twice I served as President of the Federation of Mayors and Municipalities , and you were only allowed to serve two terms, by the way, two terms and then you had to move aside and let somebody else come in. So I am a Past President of the Federation of Mayors and Municipalities. And, I think, I can claim a great deal of credit for putting the Federation on a firm financial foundation.

When I stepped aside and my successor took over, he had a nice little nest egg, Mr. Speaker, with which to carry on.

MR. CARTER:

Who was your successor?

MR. NEARY: God I forget who it was it is so long ago. I was President of the Federation of Mayors and Municipalities before I became a member of this House.

AN HON. MEMBER: J. R. Tucker.

MR. NEARY: J. R. Tucker? Is that who it was?

MR. WARREN: Walter Carter?

MR. NEARY: Or Walter Carter? I am not sure which. But any way, whoever it was when they took over they had a nice little nest egg, Mr. Speaker, and they never had to look back. I believe I was the second President of the -

MRS. NEWHOOK: No.

MR. NEARY: No?

MRS. NEWHOOK: I did not see your picture.

MR. NEARY: The hon. minister never saw my picture because I am a very humble fellow, a very shy individual who is not looking for -

MR. YOUNG: He was not elected.

MR. NEARY: No, Mr. Speaker, I was elected twice, that is more than I can say for the hon. gentleman. I was elected twice, once I defeated the Mayor of Corner Brook, by the way, for that position. And it was a pretty fierce battle, pretty fierce indeed, Mr. Speaker, and I won out. I won once in Bay Roberts and I believe I won once in - I do not remember, I believe it was on the West Coast somewhere. But the last time I won it was in Bay Roberts.

MR. MORGAN: Were you the mayor?

MR. NEARY: No, I was not mayor. I was a member of a council on Bell Island. I was not mayor. I was never mayor. I was deputy mayor once, but never mayor.

Mr. Speaker, during that period I heard an awful lot of grumbling and complaining about the City of St. John's getting free fire protection and free police protection. That was always a sore spot with the other municipalities and they were demanding the same rights and the same privileges. I presume now in recent years that problem has been overcome because the minister is now sending bills to the City of St. John's for their fire protection and for their police protection. I am not sure if the bill that is being sent for fire protection covers the full amount or not.

MRS. NEWHOOK: Their share.

MR. NEARY: Their share. What is it shared, fifty/fifty?

MRS. NEWHOOK: No. No. Each municipality contributes like Mount Pearl (inaudible).

MR. NEARY: I see, but only in the greater St. John's area. In St. John's and the metropolitan area?

MRS. NEWHOOK: And St. Thomas, and St. Phillips, and Portugal Cove, all of these.

MR. NEARY: They all contribute to the cost of the St. John's -

MRS. NEWHOOK: To the St. John's Fire Department.

MR. NEARY: Well, perhaps the minister can tell us what the formula is when she stands. So the discrimination as far as fire prevention is concerned has now apparently been overcome. But the City of St. John's still gets its police protection compliments of the taxpayers of the Province.

MRS. NEWHOOK: The same as all the other municipalities. There is no police protection paid for by any municipality. It is all free. It is all without charge.

MR. NEARY: But the other municipalities, Mr. Speaker, do not have police protection.

MRS. NEWHOOK: Yes, they have the RCMP, and -

MR. NEARY: They have the RCMP but the RCMP -

MRS. NEWHOOK: And the Province pays for the RCMP.

MR. NEARY: No, Mr. Speaker, the RCMP is a different arrangement. We have two police forces in Newfoundland, the Newfoundland Constabulary and the RCMP.

MRS. NEWHOOK: They do the same job.

MR. NEARY: The RCMP police the whole Province although they seem to resent doing municipal work, they do not like the idea of enforcing the dog regulations, for instance, or enforcing the building regulations, or enforcing the garbage regulations. The RCMP have always felt that they were above that. But in St. John's the Newfoundland Constabulary do things that the RCMP will not do. And the RCMP are a provincial force. And in some cases the municipalities have their own police force, their own

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MR. NEARY: policemen, and they pay their own
policemen and they are not subsidized by the department.

MRS. NEWHOOK: The city has its law enforcement

MRS. NEWHOOK:

officers, too, or whatever. They have a group of people they pay.

MR. NEARY:

They have their building inspectors and the like, and their animal control inspectors, but they are not classified as policemen. So they are different. In that regard, Mr. Speaker, St. John's gets the preferential treatment. There is no doubt about that, St. John's gets the preferential treatment. I am not blaming it on the minister, that is something the minister inherited, it is something that we have had to live with since Confederation in this Province. But I would assume that that matter will be resolved.

MR. TOBIN:

Boy, sit down, will you? Let some of your colleagues say something that might make some sense. You are only a disgrace to the House and a disgrace to the Province and everything else.

MR. YOUNG:

Very encouraging words. That is it. Right on!

MR. NEARY:

Mr. Speaker, that matter will be resolved, I think, in due course. Because, as I understand it, the Newfoundland Constabulary are being expanded to take over the policing of the whole Province. Once that happens, then all the RCMP will do is enforce the federal regulations. But I am not sure, even with the expansion, I am not so sure if St. John's will not still get the preferential treatment. The largest part of the Newfoundland Constabulary will still be in St. John's, and the outlying areas, the outports, the rural areas that the hon. gentlemen there opposite seem to look down their noses at, they look down their noses at the rural parts of this Province - Mr. Speaker, you talk about class distinction in this Province. We have eighteen members of the Cabinet, six or seven are from St. John's - what is that? - thirty three and one-third of the Cabinet are from St. John's.

MR. NEARY: You have twelve districts around St. John's and that is an indication to me, Mr. Speaker, that one street in St. John's has more authority and more power than the whole of Labrador. The whole of Labrador only has four members. You have twelve in St. John's and in the surrounding areas, twelve members. The whole of Labrador only has one-third that number. So is it any wonder, Mr. Speaker, that all the policies and programmes of this administration are directed toward St. John's, toward the urban centres? Most of the districts in St. John's you could spit across.

Could we have a quorum call,
Mr. Speaker,

QUORUM CALL

MR. SPEAKER (McNicholas): There is a quorum present.
The hon. the Leader of the
Opposition.

MR. NEARY: Thank you, Mr. Speaker.
I can assure hon. gentlemen that they will have time to get their Christmas trees, Mr. Speaker, but we are debating some very important legislation. It is not our fault on this side of the House, it is not our fault that we have heavy legislation coming before the House eight or ten days before Christmas. And hon. gentleman may not like what I am saying, and if he does not, Mr. Speaker, let him go down in his office and try to straighten out the user fee problem. Because now the Tories in Ottawa have climbed aboard the bandwagon. Now, no wonder the hon. gentleman is so testy these days. The administration have had a couple of bad days and they have a couple of more bad ones coming up yet.

MR. HOUSE: The hon. gentleman is testy and has been since Terra Nova.

MR. NEARY: Is that so? Is that so.
That is what the hon. gentleman thinks.

MR. NEARY:

a bad weekend, but I will not,

The hon. gentleman may have

MR. HOUSE:

I will not either,

MR. NEARY:

Mr. Speaker, they can drag out all the dirt they want of the previous, previous administration, it does not affect me. That previous administration is gone. It is gone! They paid the price. Now this crowd have to pay the price for their actions, Mr. Speaker.

MR. DINN:

wrong.

So you admit something was

MR. NEARY:

was wrong,

No, I do not admit anything

MR. DINN:

price for if nothing was wrong?

Well, what did they pay the

MR. NEARY: Well, obviously they were turfed out in 1972 and I presume they paid the price for something or other. And as far as that is concerned, Mr. Speaker, they have been punished long enough. It is time now that this crowd started accepting responsibility for their actions. That, Mr. Speaker, is what we are talking about, their actions. And the hon. gentleman can use all the threats he wants. Mr. Speaker, nobody will have a hard weekend, any harder than the hon. gentleman. They will have time to go get their Christmas trees.

As I indicated, it is not our fault that we are here ten or twelve days before Christmas debating very important legislation. This is an important bill, Mr. Speaker. This is a bill not to be treated lightly, and all we are doing is doing our duty by raising issues, raising questions in connection with these bills that are brought before the House. We would not be worth our salt as members, Mr. Speaker, no member, especially an Opposition member, would not be worth his salt unless he did that! So they can whine and complain all they want over there.

MR. HOUSE: We are not doing any complaining, you are the one who is complaining.

MR. NEARY: The hon. gentleman was complaining there a few moments ago. They can whine and complain. They will have time to get their Christmas trees, but that is about all, Mr. Speaker. We have a heavy agenda. We have a lot of important bills

MR. NEARY:

on the Order Paper and we intend to stay here as long as is necessary to debate these bills.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: And they can complain and whine all they want. We may have to have our turkey served on the table of this House, Mr. Speaker. We have the savoury, all we have to do now is get the turkey and get somebody to cook it. We may have our Christmas dinner in this House.

MR. HOUSE: Mr. Speaker, on a point of order.

MR. SPEAKER (Dr. McNicholas): On a point of order, the hon. the Minister of Health.

MR. HOUSE: Mr. Speaker, I have been listening for ten minutes and the hon. gentleman has not mentioned a bill. All he is talking about is -

MR. TOBIN: Turkey.

MR. HOUSE: - he is going to stay here and he does not address the bill at all. I would suggest that he be brought to order and speak to the bill. Apparently he does not know anything about it.

MR. SPEAKER: To that point of order, I would remind the hon. the Leader of the Opposition (Mr. Neary) that we are addressing "An Act To Amend The Municipal Grants Act".

The hon. the Leader of the Opposition.

MR. NEARY: Mr. Speaker, we will stay as long as is necessary to debate this bill.

It is a very important bill, Mr. Speaker, and the hon. minister did not do justice to the bill when she introduced it in second reading. That is not a condemnation of the minister. I know that the

MR. NEARY:

Government House Leader

(Mr. Marshall) has got the whip, he is cracking the whip to speed things up, Mr. Speaker. That is so obvious to us on this side of the House! So I am not blaming the hon. minister. The hon. minister did the best she could in the time that she was allowed by the Government House Leader to introduce this bill. But I am hoping now, as a result of questions that I have raised, that the hon. lady in second reading will be a little more explicit, a little more specific, give us some more information concerning the need to bring in these amendments at this particular time. We were told that some of the amendments came about as a result of recommendations of the Auditor General.

MRS. NEWHOOK: Clarifications of the act.

MR. NEARY: All the amendments are clarifications of acts?

MRS. NEWHOOK: Except for the firefighting.

MR. NEARY: Except for the firefighting.

Well, that is the one -

MRS. NEWHOOK: Part of it.

MR. NEARY: Part of it.

Well, Mr. Speaker, this is indeed a new policy and we saw what happened the other day when the minister sent a bill to the City of St. John's, a bill which was totally unexpected, as I understand it, for their share of fire protection.

MRS. NEWHOOK: No, it was not unexpected.

They have been getting that bill for the last three or four years, ever since 1980.

MR. NEARY: Well, is there not an increase in the bill this year?

MRS. NEWHOOK: Yes.

MR. NEARY: A substantial increase, a couple of million dollars? How much is the increase in the bill?

MRS. NEWHOOK: I do not know exactly because the fire department is operated by the Department of Justice, not our department. We are only the source for collecting the costs for them.

MR. NEARY: So the fire department is operated by the Department of Justice but the funding and the collection of the City of St. John's share of the -

MRS. NEWHOOK: The recovery is done through our department.

MR. NEARY: Is done through the minister's department. So there is a kind of a dual responsibility there.

MR. NEARY: Mr. Speaker, we are going to support the amendments and we would like for the minister to answer all of the questions that I raised, comment on the matters that I raised, especially with regard to the fire prevention and what the expansion of the Newfoundland Constabulary will do to eliminate what appears to be, and what has been felt throughout Province to be discrimination against the rural parts of this Province. I started to say, by the way, a few moments ago when I got sidetracked by somebody there opposite, I was talking about the influence and the impact of the St. John's members on the administration, especially on the Cabinet, because all of the policies and the plans of this administration are urban oriented. There seems to be some kind of a barrier down there at the Overpass, Mr. Speaker. They cannot see outside of the Overpass and I do not know how long rural members on the government side of the House are going to put up with this nonsense.

MR. CARTER: Divide and conquer.

MR. NEARY: Not divide and conquer, it is true. We saw that in the case of the synchrolift versus Marystown, we saw a good example of that.

Mr. Speaker, when it comes to making a decision that would have great influence in St. John's or in the rural areas, the scales will always be tipped in favour of St. John's because they have the majority in the Cabinet, thirty-three and a third per cent of the Cabinet's eighteen members represent the City of St. John's.

MR. NEARY: Just look at the influence, the impact that 33 1/3 per cent has, to have six or seven members in a Cabinet of eighteen.

MR. CARTER: St. John's is not important at all?

MR. NEARY: St. John's will get its own way every time.

MR. CARTER: St. John's is not important, you say?

MR. NEARY: St. John's is important, but as important as it is, we feel that the whole of Labrador is pretty important too. They only have four members in Labrador, that great territory of Labrador, four member. The city of St. John's and metropolitan area, twelve members. The Great Northern Peninsula, right from St. Anthony right down to Bonne Bay, two members, The city of St. John's, ten.

MR. DINN: What about people?

MR. NEARY: Forget people because that is where you are wrong.

MR. HOUSE: We have to forget people?

MR. NEARY: Mr. Speaker.

MR. CARTER: Do you want a member in here to represent a bog?

MR. NEARY: Mr. Speaker, the hon. gentleman is funny, really funny.

MR. WARREN: He represents a savoury patch.

MR. NEARY: No, he does not represent a savoury patch. I am not going to be unkind to the hon. gentleman because it is getting near Christmas. But I do not know if we should be speaking on these bills or wishing members a Merry Christmas, Mr. Speaker, to be honest with you. I believe if we keep on, if the Government House Leader (Mr.

MR. NEARY: Marshall) and the administration force us to debate these important pieces of legislation, that I believe it would be appropriate to bring a Christmas tree into the House of Assembly so we can all exchange gifts, We already had a gift from the member for St. John's North (Mr. Carter).

SOME HON. MEMBERS: We are forty-five and you are seven.

MR. NEARY: Of course, we will come out on the winning end because we will get forty-five gifts and they will get seven. And if I had my way, Mr. Speaker, what I would like to do, I would like to give

the Premier (Mr. Peckford) a gift. I would like to take Mr. Chretien and dress him up in a Santa Claus suit and stuff him down in the Premier's chimney with an agreement on the offshore.

MR. TOBIN: Mr. Speaker, what has this got to do with the bill?

MR. NEARY: It got more to do with the bill than the hon. gentleman will realize.

MR. ANDREWS: Do not be frivolous, We just worked out two shifts for next week.

MR. NEARY: I know they have their shifts on over there. Mr. Chretien will come down the chimney with an agreement ready to be signed by him and the hon. gentleman so that they could deliver on their election promise.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: So they could deliver, Mr. Speaker, on the one promise that they made in the 1982 election and that was to negotiate an offshore agreement, I understand Your Honour is getting restless there because I am wandering a little bit, I apologize to the Chair, I look forward, Mr. Speaker, to having the hon. minister give us the answers to

MR. NEARY: the many questions that we raised on this bill. I do not know if my colleagues want to debate the bill or not, they have not indicated to me whether they do or not, but I believe we have raised all the necessary questions in connection with this bill, Mr. Speaker, and we all look forward very much to getting the usual straightforward, honest answers from the hon. minister when she closes second reading of this bill.

MR. SPEAKER (McNicholas): If the hon. minister speaks now she closes the debate.

MRS. NEWHOOK: Mr. Speaker, first I think I would like to say to the hon. Leader opposite that I certainly do not agree with his remarks about my being bullied. I have not seen a man yet who could bully a woman and certainly not this woman.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: I cannot agree with that.

I cannot agree with that.

MRS. NEWHOOK: Mr. Speaker, I would like now to refer to the Iron Company of Canada, the issue the hon. Leader raised about the controversy that the council has up there now and it has gone to court or it has gone to litigation as to a correct reading on it. I think he will understand that water and sewer services were installed by the Iron Ore Company of Canada in Labrador City and the roads were constructed and other infrastructure was provided by the company.

MRS NEWHOOK: A couple of years ago the company turned over all of these facilities to the town council. But the company did say to the council, 'We are turning over these facilities to you for \$1, I think it is,' but we will continue to pay the debt on these facilities. We will pay the installments until the debt is wiped out.' It is this subsidy, as I would call it, that the town council of Labrador City are saying constitutes revenue and it should be revenue which would be eligible for the tax incentive grant. Our department does not agree with this; we say it is a subsidy and subsidies to other municipalities are not considered as revenues collected. So that is the controversy, I think, to which the hon. leader referred. With regard to the police department, I do wish to say that the services of the police are provided free to all municipalities in the Province and it is provided to the city of St. John's in the same way. Whether or not the police do carry out some enforcement laws for the city I am not quite sure, but I know the city does have its own law enforcement people. Just where the division is I am not quite sure because the police department is not administered by my department; again, it is the Department of Justice.

I would also like to assure him that I do have a good rapport with all the municipalities in the Province. I have a good rapport with the federation of municipalities. And he does not know how much and how many times our department gives assistance to the smaller municipalities in the Liberal districts. We do not blow our horn about

MRS NEWHOOK: this kind of thing, but if he were to come in and ask me sometime I would certainly give him a big long list. And also, Mr. Speaker, I am surprised that he does not appreciate the fact. He referred to municipalities in the Liberal districts not getting funding for water and sewer and roads and other capital projects, and I am surprised he does not appreciate the fact that this year Burnt Islands received funding, Port aux Basques, Happy Adventure, Glovertown, Carmanville, some municipalities in Fogo Island, St. Anthony, L'Anse-au-Clair, L'Anse-au-Loup, Forteau, Nain, Norman's Cove, Whitburne, Cartwright and these are just a few that I can remember off the top of my head.

AN HON. MEMBER: Main Brook.

MRS NEWHOOK: Oh, yes, Main Brook, that is another one. And I am not even touching on funds that we distribute under our community water services to incorporated water and sewer committees and to local service districts which are spread over all the Liberal districts just the same as they are in the PC districts. And we provide money for industrial systems and these are all over the Province just the same. So I cannot agree that we are discriminative. I think we are fair, that we distribute our money on a needs basis. I do take issue on that.

MRS. NEWHOOK:

point, Mr. Speaker. And I think I forgot to mention St. Lunaire-Griquet. They received money as well. So, Mr. Speaker, I do not wish to belabour the -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Aylward): Order, please!

MRS. NEWHOOK: - comments in closing the debate. There are other bills to follow. I move second reading, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

On motion, a bill, "An Act To Amend The Municipal Grants Act", read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 52)

Motion second reading of a bill, "An Act To Amend The City Of St. John's (Loan) Act, 1978." (Bill No. 60)

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

MRS. NEWHOOK: Mr. Speaker, this is very simple, It just increases the limit of borrowing for the City of St. John's from \$20 million to \$30 million.

MR. SPEAKER: The hon. the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, there are a couple of points that I wish to make on this bill, Mr. Speaker, without delaying it too long. I think what the minister is doing here is on the one hand she is giving the City of St. John's the authority to borrow an extra \$10 million, actually giving them the opportunity, the avenue, to go in debt more. In fact, the Minister of Transportation (Mr. Dawe) must have been reading my speech because he predicted what I was going to say.

MR. WARREN: The comments by the Minister of Transportation (Mr. Dawe) show he must realize that this is exactly what the minister is doing, giving the City of St. John's the opportunity of borrowing more money and, naturally, accumulating bigger debts. Why does not the minister, instead of bringing in this bill giving the St. John's City Council the authority to increase borrowing -

AN HON. MEMBER: Do you want to give them a grant?

MR. WARREN: No. It was only just recently there was an invoice received by the City of St. John's from the government concerning fire equipment in the city, and I think that invoice was a substantial increase from last year. Now, surely goodness, if the government of the day had not seen fit to increase this fire protection invoice by some \$2 million, it would not be necessary for the City of St. John's to have increased borrowing.

So, Mr. Speaker, I think what the minister is doing is she is playing her cards upside down. All she is doing is giving the opportunity to the City of St. John's to have more opportunities to go in debt further.

On the other hand, there is another way the minister could have gotten out of this, a very simple, easy way. Why does the minister not say to her colleagues in Cabinet, "Look, we got x number of square footage of real property in this city and we are not paying the city any taxes on our real property in the city." Why did the minister not say, "Look, we will do the same as Craig Dobbin does, or the same as Harold Duffett does, we will pay the city so many mils"? Why did the minister not take that approach and take into consideration the real property that the government owns in this city and say to the St. John's City Council, "Okay, fellows. I know you are going in the hole year after year. Instead of giving you more opportunity of going further in the hole,

MR. WARREN: let us try to help you and do as any corporate business would do, do as any ordinary citizen in the Province would do, and that is pay your taxes"? Now, the minister may get up and say, 'Well, we cannot do it under the act.' The minister can change the act in the same way she is making a change now. All the minister need have done today was bring in a little amendment on no more paper than this is on, and there could have been a clause put in there saying, 'Effective as of March 31, 1984, the provincial government will be liable for tax on real property in the Province.' That is all the change needed to the Municipality Act.

MR. ANDREWS: Tax has nothing to do with this bill.

MR. WARREN: Oh, yes, it does have a lot to do with this bill. This bill is giving -

MR. SPEAKER (Aylward): Order, please!
May I interrupt the hon. member for a minute, please?

It being 5:00 p.m., Thursday, I have to inform the House that we have one question for the Late Show from the hon. the member for Torngat Mountains concerning an answer the Premier gave in response to a question pertaining to the German Air Force in Goose Bay.

The hon. the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, when we do not get any answers we are sure to question government and that is why it is on the Late Show.

Mr. Speaker, an hon. member said tax does not have anything to do with this bill.

MR. WARREN: If a bill comes into this House that has to do with the City of St. John's or any other incorporated community in this Province, it has to do with taxes, because the councils in the various towns and municipalities depend on taxes for survival and subsequently, the St. John's City Council cannot operate on borrowings of \$20 million so they are asking for an increase of \$10 million, which makes it \$30 million, and the minister is saying, 'We will give you authority to borrow up to \$30 million.' So this is actually what the bill is saying.

Instead, the minister could have said, 'Instead of us giving you authority to borrow up to \$30 million, we will pay the City of St. John's and other municipalities throughout the Province X number of dollars for the real property that we have within these municipalities.' Now, that is straight ball, that is fair ball, and I am sure that His Worship Mayor Murphy, or His Worship Mayor Hutchings in Corner Brook, or His Worship Mayor Shouse in Happy Valley - Goose Bay and the various -

MR. BUTT: Mayor Aubrey Dawe.

MR. WARREN: - His Worship Mayor Aubrey Dawe in Conception Bay South, I am sure that those mayors throughout the Province -

MR. CALLAN: Her Worship Mayor Temple in Norman's Cove.

MR. WARREN: - Her Worship Mayor Temple in Norman's Cove. I am sure they would agree, they would be quite satisfied to accept some revenue from the government rather than government's permission to extend their borrowing privileges.

And just imagine, Madam Minister if you would consider paying one-third to the City of St. John's or even, I would say, one-tenth to

MR. WARREN:

the City of St. John's for government property located within its boundaries as compared to what - I will just use two names - Harold Duffett is paying for his buildings or Craig Dobbin is paying for his buildings in town, if the government would only pay one-tenth of what they are required to pay for equal space, equal square footage, if the minister would consider -

DR. COLLINS:

Where would the money come from?

MR. WARREN:

Where would the money come from? Oh, my gracious devine! To start off with, we could have got \$1.6 million from the ferry down in Springdale, that is where \$1.6 million could have come from. Mr. Minister of Finance (Dr. Collins), you should not ask that kind of stupid question. And another way, I think, there is

MR. WARREN: a lot of pulpwood left on the dock in Goose Bay, that there is going to be some money raised there. There is going to be a little bit of money raised there. So the minister should know that it is no trouble to gather up some money. So all the minister has to do is assure that he, as Minister of Finance -

DR. COLLINS: No. What I am saying is that that money is coming from the people of Newfoundland.

MR. WARREN: What money is that?

DR. COLLINS: The money that you are speaking of, whereas this is coming from the citizens of St. John's.

MR. WARREN: Does not the government have buildings other places than in St. John's. I am sure they do. So the minister could do the same thing in the Municipalities Act, make it mandatory that any government buildings throughout the Province would be liable for property tax. And not necessarily as great as an individual consumer or an individual customer. Mr. Speaker, the Hon. House Leader (Mr. Marshall) is trying to get me to close the debate. I am not sure, Mr. Speaker, I will close the debate. In fact, one of my colleagues might want to say a few words. But let me say from the outset, whether we vote for the bill or against the bill, we do not care really, Madame Minister, if you want to give the city of St. John's the authority to increase their spending allowance, we do not care whether you do that or not. All you are doing is giving them the opportunity to go further in the hole. But we would suggest - I beg your pardon?

MR. HOUSE: What is new?

MR. WARREN: Well, if that is the attitude of the Minister of Health (Mr. House) - now you can see why there is such turmoil in our hospitals throughout the Province, why there are hospital beds closed down, why there are doctors leaving the Province, why the nurses are upset with the doctors.

MR. SPEAKER (AYLWARD): Order, please!

I wish to remind the hon. member of our rule of relevancy and that we are discussing An Act To Amend The City Of St. John's Loan Act, 1978.

The hon. the member for Torngat Mountains.

MR. WARREN: Yes, Mr. Speaker.

In conclusion, Mr. Speaker -

AN HON. MEMBER: What does the member wish to say?

MR. WARREN: I wish to say, Mr. Speaker, to the hon. gentleman, the Minister of Health, who interferred and said, 'Let them go' -

MR. HOUSE: I did not interfere.

MR. SPEAKER: Order, please!

MR. WARREN: Well, why is the Minister of Health interjecting I would like to know, why is he interjecting?

Mr. Speaker, we are not saying to the minister, do not give the city of St. John's the extra money, we are saying to the minister, surely goodness the minister can see the priorities, that at least the government buildings around the Province should be taxed by the cities, by the towns and the municipalities in which they are located. If this was done the city of St. John's or the city of Corner

MR. WARREN: Brook would not need to increase their borrowing. With those few remarks, Mr. Speaker, I think I will personally call for a vote on the bill.

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

MR. HODDER: Just a few words on the bill. The bill itself is just a minor one, but the underlying reasons why the government is now giving the city of St. John's the right to raise money, from \$20 million to \$30 million, the underlying reasons for that is that this government has been attempting since the new Municipalities Act came in to shift the burden of taxation from themselves onto the municipalities. In the last session of the Legislature we saw the government start to incorporate property tax across the Province. They held out the carrot, they held out some funds to the municipalities so that they would then bring in property tax so that they could raise more revenues. They have public buildings throughout the width and breadth of St. John's, including this building, under the administration of the town. The fire protection, the water services and everything else in these buildings throughout the town which belong to the provincial government are provided by the municipality

MR. HODDER: of St. John's, and as the Mayor of St. John's said recently, he feels that he should, and rightly so, get his just due from the Government of Newfoundland and Labrador for fire protection to these particular buildings. Now, Mr. Speaker, the residents of the City of St. John's are very, very highly taxed, as they are in Corner Brook, Grand Falls and in the larger centers, and what the government has been doing over a period of time is shifting the burden to the councils to collect the taxes and the government itself, in many cases, are not paying their share of the burden.

Mr. Speaker, it is becoming so in this Province now that it is hard to find, particularly in rural areas which will be coming under municipal taxation, people willing to run for municipal government. You have councillors resigning across the Province, you hear of it in the public press from time to time. Anyone who takes a position on a council has a very onerous burden and the people do not realize it. It is not only in municipal politics that the burden of taxation is being shifted to the people, it is in just about every government department. The government has decided as much as it possibly can to shift the burden from itself so that people then look at the second level of government, the most important level of government, the municipalities.

Mr. Speaker, with those few words I will sit down.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Leader of the

Opposition.

MR. NEARY:

Mr. Speaker, I concur with what

MR. NEARY: my two colleagues have said on this bill. What we are doing here - and I presume the City of St. John's asked, by the way, to have their borrowing increased from \$20 million to \$30 million. It would be very unlikely, indeed, that the minister would come into the House with a bill unless it was requested by the City of St. John's but as my two colleagues pointed out, the city is being forced into a situation where it has to borrow more money to maintain services in the city.

DR. COLLINS: The City has not borrowed for two years.

MR. NEARY: No, it has not borrowed. And the mayor indicated, I believe only today, that they are going to try to pay for services out of current account. I only wish, Mr. Speaker, as I said when I spoke on the last bill, that the mayor of this city was the Minister of Finance here in this Province. What a difference in how two governments manage their affairs. What a difference, Mr. Speaker. You have an administration, the second largest administration in the Province, the City of St. John's, which has not had to borrow for two years. They pay for services and their capital works out of current revenue. Mr. Speaker, is that not something? Compare the mayor and council to the present Minister of Finance (Dr. Collins) and the administration there opposite, Mr. Speaker. It is like chalk and cheese, it is like comparing chalk and cheese, Mr. Speaker. And I wish the city council well. I congratulate them, I commend the city council. Now mind you, Mr. Speaker, with their borrowing policies and with their policy of trying to pay their bills and keep things going out of current revenue they have not been able to expand services the way that they would like to, but they have certainly set an example for this administration to

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MR. NEARY: follow, an example in restraint,
how you can restrain your borrowing and your spending
without curtailing essential services. It is too bad the
Minister of

MR. NEARY:

Health (Mr. House) would not take a leaf out of their book, or the Minister of Social Services (Mr. Hickey) who is going back twenty and twenty-five years to collect overpayments from people on social assistance, that should be written off, deducting it from their old age pension. It is too bad, Mr. Speaker, that the Minister of Finance (Dr. Collins) and the other ministers would not follow the example of the city of St. John's.

MR. TULK:

A total disaster.

DR. COLLINS:

A total disaster?

MR. NEARY:

A total disaster. The financial mess in this Province is not a total disaster. The Province is only bankrupt. If we were not a Province of Canada we would be bankrupt, Mr. Speaker. That is how much of a disaster it is. But we are not going to belabour the debate on this bill, Mr. Speaker. The hon. minister, I did not hear her explanation as to why -

MR. TULK:

She is just up and down!

MR. NEARY:

Up and down, of course, the Government House Leader (Mr. Marshall) looking at her with daggers, 'make it short, be brief. We do not want to have our Christmas dinner in the Legislature! So, Mr. Speaker, the hon. gentleman responsible for Christmas cards is back I see.

MR. YOUNG:

Yes, boy, back again.

MR. NEARY:

The hon. gentleman responsible for the government shredder is back.

MR. YOUNG:

Name one Christmas card that was printed on the printing press this year.

MR. NEARY:

Tell us one that went through the shredder.

MR. TULK: Do you run the shredder?

MR. SPEAKER (RUSSELL): Order, please!

MR. NEARY: Mr. Speaker, I did not hear the minister when she introduced this bill but I presume the minister did tell the House that this was being done at the request of the city of St. John's. But, nevertheless, having said that we understand that these things are done on request, but \$10 million seems to be a substantial amount to increase their borrowing by. Why is it necessary to increase the borrowing so much? It has jumped now from \$20 million to \$30 million, is that correct? \$20 million to \$30 million, why was it necessary to increase the borrowing by \$10 million? I would like to ask the hon. minister that question.

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

MRS. NEWHOOK: Mr. Speaker, this request to increase the limit of borrowing is just a standard type of thing. I do not think it is for the actual purpose of needing to borrow, it is just to have a limit there in case they wish to use it. I would like to respond to other comments by saying that our grants and our tax incentive grants to municipalities, especially to the city, are very generous indeed. And government cannot give on both ends, we cannot pay grants and taxes too.

MR. YOUNG: Right on, my dear!

MRS. NEWHOOK: And I do wish to say that I have every confidence in the ability of the city to handle any limit of borrowing. But according to Mayor Murphy I doubt if the city of St. John's will actually require this limit because I understand he does not believe in borrowing.

And, also, there was some mention made of the government paying its share of the fire

MRS. NEWHOOK: protection. I do wish to say that government does pay a share of the cost of the St. John's Fire Department for the protection of its buildings.

MR. NEARY: What is the formula?
How is that divided out?

MRS. NEWHOOK: The formula?

MR. NEARY: Yes.

MRS. NEWHOOK: Well, I cannot remember the exact formula. It is done on an assessment of the assessed values of the properties.

MR. NEARY: That is how the decision is made?

MRS. NEWHOOK: Yes.

On motion, a bill, "An Act To Amend The City Of St. John's (Loan Act), 1978", read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill No. 60)

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

COMMITTEE OF THE WHOLE:

MR. CHAIRMAN (AYLWARD): Order, please!

A bill, "An Act To Amend The Liquor Control Act, 1973." (Bill No. 58)

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

A bill, "An Act To Amend The Income Tax Act." (Bill No. 55)

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

A bill, "An Act To Amend The Gasoline Tax Act, 1978 (No. 2)." (Bill No. 84)

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

A bill, "An Act To Amend The Income Tax Savings Plans Act". (Bill No. 61)

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

A bill, "An Act To Amend The Solemnization Of Marriage Act". (Bill No. 78)

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

A bill, "An Act To Amend The Regulation Of Mines Act," (Bill No. 17)

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

A bill, "An Act To Amend The Occupational Health And Safety Act", (Bill No. 16)

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

A bill, "An Act To Amend The Labour Relations Act, 1977". (Bill No. 15)

On motion, clauses (1) through (10) carried.

MR. CHAIRMAN (AYLWARD): Shall clauses (11) through to (16) carried?

The hon. President of the Council.

MR. MARSHALL: Mr. Chairman, I move an amendment that the minister indicated he was going to do in second reading. I move that bill 15 be amended by deleting clauses 12 and 13 with consequent renumbering of the clauses.

On motion, amendment
carried.

MR. MARSHALL: A further amendment,
Mr. Chairman.

MR. CHAIRMAN: A further amendment.

MR. MARSHALL: I am sorry. I should
have rightly said 16 - by adding immediately after
clause 16 the following clause: "This act or any
section thereof comes into force on a day or days
to be proclaimed by the Lieutenant-Governor in Council."
This is to enable the minister to have consultation
with various concerns before proclamation.

On motion, amendment
carried.

On motion, clause as
amended carried.

Motion, that the
committee report having passed the bill with amendment,
carried.

A bill, "An Act To Repeal
Certain Obsolete And Spent Statutes." (Bill No. 27)

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

A bill, "An Act To Amend The
Newfoundland Human Rights Code." (Bill No. 79)

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

A bill, "An Act Respecting
Defamation." (Bill No. 70)

On motion, clauses (1)
through (22) carried.

MR. MARSHALL:

Mr. Chairman.

MR. CHAIRMAN (AYLWARD):

The hon. President

of the Council, clause 23.

MR. MARSHALL:

There is an amendment

similar to the previous amendment that the minister indicated in second reading, that we wanted to put in the date when the act comes into force. I move that there be a new clause 24 added immediately after clause 23 which will read, "This act will come into force on January 1, 1984."

On motion, clause 23

carried.

On motion, amendment

carried.

Motion, that the committee report having passed the bill with amendment, carried.

A bill, "An Act To Amend The Newfoundland and Labrador Housing Corporation Act." (Bill No. 4)

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

A bill, "An Act To Amend The Livestock (Health) Act." (Bill No. 22)

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

A bill, "An Act To Amend The Natural Products Marketing Act, 1973." (Bill No. 23)

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

A bill, "An Act To Amend The Newfoundland Public Service Commission Act, 1973." (Bill No. 21)

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

A bill, "An Act To Amend
The Fishing Ships (Bounties) Act." (Bill No. 8)

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

A bill, "An Act To Amend
The Status Of Women Advisory Council Act." (Bill No.20)

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

A bill, "An Act To Amend
The City Of Corner Brook Act." (Bill No. 29)

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

A bill, "An Act To Amend
The St. John's Assessment Act." (Bill No. 18)

On motion, clause 1 and 2 carried.

MR. MARSHALL: Mr. Chairman, an amendment to this as well.

MR. CHAIRMAN (Aylward): The hon. President of
the Council.

MR. MARSHALL: I am sorry, Clause three carries
too, Mr. Chairman.

On motion, clause 3 carried.

MR. MARSHALL: I move after Clause 3
the following, a similar amendment; 'This act or any
section or sections thereof comes into force on a day
or days to be proclaimed by the Lieutenant-Governor in
Council'.

On motion, amendment carried.

On motion, clause as amended
carried.

Motion, that the Committee
report having passed the bill with amendment, carried.

MR. CHAIRMAN (Aylward): Is it agreed to stop the clock?

SOME HON. MEMBERS: Agreed.

MR. MARSHALL: Just for a few minutes,
Sir, there are a couple of more, order 23 and order 25.
You know, just to put them through Committee.

A bill, "An Act To Amend
The Department Of Public Works And Services Act, 1973."
(Bill No. 32)

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

A bill, "An Act To Amend
The Municipal Grants Act." (Bill No. 52)

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

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

MR. SPEAKER (Russell): The hon. member for
Kilbride.

MR. AYLWARD: Mr. Speaker, the Committee
of the Whole House has considered the matters to it
referred and has asked me to report certain bills without
amendments, Bill No. 58, Bill No. 55, Bill No. 84, Bill
No 61, Bill No. 78, Bill No. 17, Bill No. 16, Bill No. 27,
Bill No. 79, Bill No. 4, Bill No. 23, Bill No. 22, Bill No.
21, Bill No. 8, Bill No. 20, Bill No. 29, Bill No. 32

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MR. AYLWARD: Bill No. 52, and with amendments Bills No. 15, 70 and 18, and ask leave to sit again.

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

On motion amendments read a first and second time, bills ordered read a third time on tomorrow.

MR. SPEAKER (Russell): It is deemed we have stopped the clock. We have one question for the Late Show, a question asked to the Premier by the hon. member for Torngat Mountains (Mr. Warren) on December 13.

The hon. member for Torngat Mountains.

MR. WARREN: Thank you, Mr. Speaker. On December 13 I asked the Premier a question with two supplementaries and the Premier did indicate by his first response - in fact he gave the same response to the two supplementaries, "I will take the question under advisement and will get some additional information for the hon. member." Now the reason I brought it to the Late Show, Mr. Speaker, and I do not want to delay any longer, is that I believe this question and the two supplementaries were valid questions and were very important, in particular to the people in Labrador. As it pertains to the German Air Force requesting a portion of our land in Labrador to be used for simulated bombing and for practice and that, in my question to the Premier I was hoping that he would be able to give us some information as to whether his government is for this procedure.

I wish to say, Mr. Speaker, if they abide by any environmental studies, if everything is in order and everything follows the environmental and safety and health regulations, and if there is opportunity for advancement and probably some extra revenue for the Province, there is no damage or no danger involved I, for one person, do not see anything wrong with it, if everything is followed correctly. And I hope again that the Premier could probably use what

MR. WARREN: power he has in this regard. I know it is probably like he said in his third response, it does have federal implications, however, the land the German Air Force will be requesting I would think is Crown land, it does come under his jurisdiction. I think we should do everything in our power, both on this side and on that side, to illustrate to the German Air Force, "Look, our sealing is very important" -

PREMIER PECKFORD: (Inaudible) Newfoundland Government.

MR. WARREN: Now, Mr. Speaker, the Premier will have his opportunity. The Premier will have his day in the sun. Mr. Speaker, the premier said today and he indicated there during the Question Period that he does have power and authority. So I am only wishing that the Premier would use that power and authority that he has to convince both governments, "Look, we have a very important, crucial means of income for the people of Labrador and of the Northern Peninsula, too, and the Northeast Coast, and that is the seal fishery that is being destroyed and one of the countries that is destroying it is West and East Germany. So I would suggest

MR. WARREN: to the Premier (Mr. Peckford) that maybe by now he should have some answers to these questions, and if he does I will be only too glad to hear them.

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

PREMIER PECKFORD: Mr. Speaker, first of all, I think this is the first day that the Late Show -

MR. TOBIN: Right on! Right on!
First day.

PREMIER PECKFORD: How many days has the House been open? I do not know how many days the House has been open. It has been open now how many days? Twenty or thirty days straight. So there have been three or four -

AN HON. MEMBER: Very significant.

PREMIER PECKFORD: Very significant, in my view. And I do not know why the press does not carry it. I mean, they are quick to carry snide remarks and everything but they do not seem to be too quick to carry that.

MR. NEARY: Bully the press.

PREMIER PECKFORD: Yes, you are darn right I will bully the press. If it is legitimate I will speak my piece, and if they want to carry it fine, if they do not want to carry it fine, too. But I have a right to speak and I have a right to express my views and I will continue to do so.

MR. NEARY: Right on!

PREMIER PECKFORD: Darn right.

MR. NEARY: So have we.

PREMIER PECKFORD: Oh, no problem. You seem to be able to do that okay.

MR. DINN: If you would only do outside what you do inside.

PREMIER PECKFORD: Yes, that is right, if he would only do outside what he does inside. Too bad there

PREMIER PECKFORD: is not a question on the ferries today so I could get into the meat of my remarks on the ferries, Mr. Speaker. I would like to get into the meat of that. As a matter of fact, I have just come across some other stuff this afternoon since that time. I am getting right excited, Mr. Speaker.

But anyway, the member for Torngat Mountains (Mr. Warren) -

MR. TULK: Are you back now to Sir Richard Squires days?

PREMIER PECKFORD: No, no. The Green Bay ferry service does not go back that far. But we are talking about the Green Bay ferry service, and I would love to be able to indicate some stuff.

Anyway, the member for Torngat Mountains, I respect his - you know, I have got to answer the question that the member for Torngat Mountains asked. I appreciate that he asked it and I fully appreciate the concern that the hon. member has and I am saying that honestly and sincerely. It is a good question. It is one that I am glad the hon. member put on the Late Show, because it is one that should be further debated. I give full marks to the hon. member for Torngat Mountains for doing it and for utilizing this period like other members on the opposite side should be utilizing it. He, for one, should be complimented on that score.

Now, let us get into the business of the West German Airforce and the Canadian Armed Forces. The Canadian Armed Forces have a contract with the West German Airforce. They have had it now for a number of years. They are now looking for, this year,

PREMIER PECKFORD: to continue that contract and have negotiated with the Canadian Armed Forces. And they want to do certain simulated bombing exercises, obviously not using bombs. The Canadian Armed Forces have negotiated with the West German Airforce on this. Obviously, we do have some concerns about it. There have been a number of meetings between officials of our Wildlife Division and our Environmental Department with the Canadian Armed Forces and with the West German Airforce about what they want to do. Those talks are still ongoing now. And we have expressed concerns to them, especially about the wildlife. So that we are going to have significant input into if this goes ahead, and it goes ahead in an area in which it will not impact upon the caribou herds. And there is no question about it, you know, we are very concerned about that.

The talks are not completed. I just spoke a few minutes ago to people who are involved in those talks. They are still ongoing. So we are keeping a close watch on it, the two departments, the Department of Environment and the Department of Culture, Recreation and Youth under which wildlife comes. You know, I will have an update in the next few days or weeks as the negotiations continue. But our major concern is with, number one, the environment and the trees and the general environment and, number two, particularly with the wildlife. There are more talks scheduled to go on on the matter before we will be satisfied that all bases are covered and that the environment plus the wildlife are protected if, in fact, the bombing goes ahead in 1984. So, you know, we are very, very concerned about that.

PREMIER PECKFORD:

By the way, the Department of National Defence themselves, in Ottawa, the federal Department of National Defence, has done an environmental assessment on the areas themselves. So, some environmental assessment work has been done and that environmental assessment has been examined by our Department of Environment and looks to be a substantial study. It looks legitimate and a good study. I repeat again, our main concern after looking at the environmental assessment which covers the vegetation particularly and that kind of thing,

PREMIER PECKFORD: seems to be okay, what D and D has done, but our particular concern, which has not been addressed but which we are addressing, is the wildlife, and particularly the caribou herds.

MR. WARREN: Will it have any impact?

PREMIER PECKFORD: No. None whatsoever. It will have no impact upon that whatsoever. I know what the question is and I appreciate the question, no. It will not have anything to do with that at all. It is just for that period and it has no bearing on rights that exist. But the wildlife is the key, because the environmental assessment that has been done by the Canadian Armed Forces themselves, and D and D, seems to be a substantial assessment which our Environmental Department has looked over. The Minister of the Environment (Mr. Andrews) informed me of that today. And the wildlife people, the Minister of Forest Resources and Lands (Mr. Power) has just been on to his people and on to the wildlife people, and we are assured that negotiations are continuing. We must be secure in the knowledge that the wildlife will not be injuriously affected if this goes ahead in the Spring, and we would be only too glad to keep the hon. member up-to-date on it as events unfold and we thank him for his question.

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

MR. MARSHALL: With leave of the House, and I believe I have leave, I would like to just propose the re-establishment of a select committee on The Companies Act and the Certified General Accountants. So, Mr. Speaker, with leave I move that a select committee of this hon. house be appointed to enquire into, hear evidence upon, and

MR. MARSHALL: make recommendations relating to the suitability for introduction by the government into this hon. House of the following draft legislation: "An Act To Incorporate The Certified General Accountants Association of Newfoundland," and "An Act To Revise And Reform the law Respecting Corporations," including "An Act To Consolidate, Revise and Reform the Law In Respect Of Partnerships," and "An Act To Reduce Public Confusion And Inconvenience In The Use Of Business Names In the Province", either in the form which shall be set forth in the draft legislation to be filed by the Minister of Justice with the Chairman of Committee or with such alterations, modifications or additions as the Committee shall think fit; and be it further resolved that the Select Committee be empowered to accept in whole or in part all or such parts of the findings and conclusions of the select committee of this hon. House established for the puposes aforesaid on June 12, 1981 in the thirty-eighth General Assembly of this hon. House and to adopt as findings and conclusions of its own all or any portion of same as its own findings without recalling any witnesses or evidence then summonsed and produced; and be it further resolved that the Select Committee have power to sit at all times whether or not the House is in session, adjourned or prorogued and in relation to the matters to them referred the power to send for persons, papers and records.

So, Mr. Speaker, I move first of all the establishment of the committee and then, when that is passed, I will move the membership on the committee.

MR. SPEAKER: All those in favour "Aye,"
contrary "Nay", carried.

MR. SPEAKER (Russell):
of the Council.

The hon. the President

MR. MARSHALL:

Mr. Speaker, coincidental

on that then I move that the following constitute the
compliment of the select committee to enquire into the
incorporation of the CGAs and the establishment of the
New Companies Act: The hon. the member for Kilbride
(Mr. Aylward), the hon. the members for St. Mary's-The Capes
(Mr. Hearn), and Grand Bank (Mr. Matthews), and the hon.
the member for the Strait of Belle Isle (Mr. Roberts),
and the hon. the member for Eagle River (Mr. Hiscock).

MR. SPEAKER:

All those in favour

"Aye", contrary "Nay", carried.

Since there are no further questions for
the Late Show it is deemed that a motion to adjourn has been
made. It is moved that the House do now adjourn until
tomorrow, Friday, at 10:00 A.M.

I do now leave the Chair

until tomorrow, Friday, at 10:00 A.M.