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# **VERBATIM REPORT**

**FRIDAY, APRIL 30, 1971**

**SPEAKER: THE HONOURABLE GEORGE W. CLARKE**

The House Met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order!

Before we go on with the Presentation of Petitions, I would like on your behalf to welcome to the Galleries a group of students from the Rehabilitation Centre. They are accompanied by Mr. Warford, I know you will join with me in wishing each one of them an enjoyable visit to the House this afternoon.

PRESENTING PETITIONS

MR. W. R. SMALLWOOD: Mr. Speaker, I would like to present a petition from the voters of the community of Lushes Bight, Beaumont, and Beaumont North on Long Island.

Mr. Speaker, as you undoubtedly know, last year the Department of Highways began the construction of the main road across the Long Island from the settlement of Lushes Bight to Beaumont South and on to Beaumont Centre and Beaumont North, a distance of a few miles across the Island.

However, Sir, this petition is for the reconstruction of the local roads in these three communities. The main road, of course, is a highway across the Island connecting the three communities in question. However, this petition is for the reconstruction and improvement of the local roads in the settlements. And, also, for the construction of a main road leading from this highway across the Island to the channel separating Long Island from Pelley's Island. The purpose of the construction of this stretch of road being to make it easier for the people to get off Long Island and onto Pelley's Island, which at present is connected to the mainland by a road and causeway.

Unfortunately the channel separating Long Island from Pelley's Island is too deep and too long to build a causeway across it. However, if this road were constructed down to the shore separating the two Islands, then it would be much easier for these people to make their way to the mainland, especially in the fall, winter and spring seasons.

MR. SMALLWOOD: W.R. Mr. Speaker, I support this petition and ask that it be received by the House and referred to the department to which it relates. And I would like to see something done on it.

On Motion petition received.

HON. W. R. CALLAHAN: (MINISTER OF MINES, AGRICULTURE AND RESOURCES): Mr. Speaker, I ask leave to table these petitions. One from the community of Mainland on the Port au Port Peninsula, and one from Agauthuna, which is at the neck of the Peninsula and is hard by the old community of Port au Port, which is not to be confused by the new community of Port au Port East.

The petition from Mainland, Mr. Speaker, deserves special attention because this community is one of the two or three communities in this Province, all of them located on the Port au Port Peninsula, that are of French culture and probably in Mainland more totally than in the others. So that the people in Mainland, Sir, speak English, but perhaps to no greater extent than I speak French, which is to absolutely and solely be able to make myself understood in what has to be an extreme case, if I were starving, I could make known my problem.

So that this is totally, I think I can say, a French community, Mr. Speaker, which over the past couple of years has been extremely concerned, the people have been, the community has been, about rumors that the community was to be resettled, the people were required to move from Mainland or as they call it, "La Grande ferre."

The petition was brought to everyone of sixty-nine households, and only in two cases did residents express their desire to move from that community; so that the petition is almost unanimous, in favour of remaining where the people now are. Now the significance, Mr. Speaker, of the suggestion that the people might want to move is that it naturally leads to the question of whether services should be provided to a community in respect of which there was a rather widespread understanding that the people did in fact want to leave.

I suggest that the petition which I have here speaks for itself and certainly speaks for all but one or two households or one or two families in Mainland, to the degree that they now have publicly stated that they do wish

MR. CALLAHAN: to remain where they are and in consequence are asking for public services that are in keeping with any standard of life in this Province; specifically, the improvement of their road and, secondly, the provision of telephones. I think the House will be aware, Mr. Speaker, for the four years that I have been in this House, this matter of the provision of telephone service to the Port au Port Peninsula has been a very sore point with me. We had taken every possible legal step to comply with the requirements of the Avalon Telephone Company Act. The Government made orders to extend the exchange area, the people paid an advanced fee for telephone service; they put up petitions; they brought legal arguments, and in every case we were turned down until, some months ago, a public fund was created and with that we were able in the first place to obtain a hearing of the Public Utilities Board. in the second place which was well for us. because we needed his kind of advice and help, I was able to persuade the hon. the Senior member for Harbour Main, the hon. Mr. Lewis, to take our case to the board, with the result that the board made orders on the telephone company requiring them to put service into those areas of Port au Port District not then or not now served.

I am glad to say that in the case of Mainland the service will be extended, by the company's statement in the present year. But, the significance, Sir, of this petition is that the people of Mainland, being a totally unique community in this Province, have expressed publicly their feeling and their strongly held view and their strong desires to remain where they are and to have their community developed to a standard that is in keeping, as I have said, with the life in this Province today.

The second petition, Mr. Speaker, is from the Community of Aguathuna. It is signed by 104 voters of that place and requests both the reconstruction and paving of the road through the community, in the present year.

Aguathuna, Sir, is one of the older industrial communities in this Province. It was the site of the DOSCO Limestone quarries, while we

MR. CALLAHAN: hear very often of the withdrawal of DOSCO from Bell Island, very few people realize that a far more precipitant withdrawal took place at Aguathuna when the quarries there were closed down six or seven years ago. It is a very fine community, Mr. Speaker, and I think, water service can be provided, water and sewerage service, and if the road can be upgraded or rebuilt and paved through the community, There will not be many communities of its size in Newfoundland that could compare with the community of Aguathuna.

I ask, Sir, that these two petitions be tabled, I ask that they have the support from both sides of the House, and that they be directed to the department to which they relate.

MR. A. J. MURPHY: (LEADER OF THE OPPOSITION): Mr. Speaker, I would like to support the prayer of both of these petitions, because there is one particular matter in the petition for Mainland that I would like to call attention to, and that is the matter of telephones. I do not think the Provincial Government have too much control over it, but we could certainly use what influence we have to bring modern communication to these areas. Anybody who has driven to Port au Port Peninsula realize that these people have been very much up against it for years with reference to roads and so on and so forth.

As a matter of fact, I spent a lot of time in Aguathuna. I spent a lot of time in that area in my earlier days, Aguathuna was a very thriving town there, when the Limestone Mill was in operation there. It was a very great tragedy indeed, when the Limestone Mill was withdrawn. I think it was brought across the Gulf actually to somewhere else, I feel, Sir, that all of us in the House on both sides support quite strongly the petitions as presented by the hon. minister, the hon. member for Port au Port. I would like to support the petition and urge that those concerned will do everything in their power to bring <sup>to</sup> fruition the prayer that the petition presents.

MR. CROSBIE: Mr. Speaker, we would just like to go on record as making support of the House unanimous, particularly for the Port au Port area which has been very much neglected :

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well I will not say that, I think, the hon. minister is doing his best, but his best is not good enough.

But in any event, Mr. Speaker, we support both petitions and hope that the minister will be successful in his effort.

On motion petition received.

NOTICE OF MOTION

HON. L. R. CURTIS: (MINISTER OF JUSTICE): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill "An Act To Empower The St. John's Municipal Council To Raise A Loan For Muncipal Purposes By The Issue Of Bonds."

I will also give notice, on behalf of the Minister of Health, that he will on tomorrow ask leave to introduce a Bill, "An Act To Provide For The Establishment Of A Cancer Treatment And Research Foundation."

HON. G.A. FRECKER (MINISTER OF PROVINCIAL AFFAIRS): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill, "An Act Further To Amend The Automobile Insurance Act, 1968."

HON. W.R. CALLAHAN: (MINISTER OF MINES, AGRICULTURE AND RESOURCES): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following Bills; a Bill, "An Act To Provide For A Veterinary Licensing Board For The Province And To Incorporate The Newfoundland and Labrador Veterinary Medical Association;" A Bill, "An Act Further To Amend The Churchill Falls (Labrador) Corporation Limited (lease) Act, 1961," A Bill, "An Act Further To Amend The Crown Lands Act," a Bill, "An Act Further To Amend The Co-Operative Societies Act."

ORDERS OF THE DAY

MR. CURTIS: Motions two and three.

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On Motion of the hon. the Minister of Justice, A Bill, "An Act Further To Amend The Judicature Act," read a first time, ordered read a second time on tomorrow.

On Motion of the hon. the Minister of Education, A Bill, "An Act Further To Amend The Department Of Education And Youth Act, 1968," read a first time, ordered read a second time on tomorrow.



On motion, a Bill, "An Act Further To Amend The Department of Education and Youth Act, 1968," read a first time, ordered read a second time on tomorrow.

MR. CROSBIE: Mr. Speaker, with the consent of the House, I would like to move that motion (5) be withdrawn from the Order Paper. This requires the unanimous consent of the House. The hon. Leader of the Opposition has agreed.

MR. SPEAKER: It has to have the unanimous consent of the House. Do I take it that there is unanimous consent to this request by the hon. member for St. John's West? Agreed.

Motion second reading of a Bill, "An Act Further To Amend The Judicature Act."

MR. CURTIS: For some time past, the people of the West Coast, at least the lawyers of the West Coast, have been asking that the district court there be given divorce jurisdiction. They also are asking that their district court have certain other powers. I will be introducing in a day or so a Bill, "An Act To Amend The Judicature Act." That Act will provide for the appointment of district court judges, as Supreme Court local judges. When that has been done, that court will have certain powers. But that is not what I intended to say. I intended to say that when the Judicature Act comes in, in a couple of days time, that Act will provide for three circuits a year to Corner Brook, together with such other circuits as the Government may order. That there be three times a year, when the people of Corner Brook in that area, will have access to the Supreme Court.

Now, in my opinion, that will be satisfactory to the people there. But they have insisted that the district courts have the power. I, therefore, propose the present Act, the present Bill, which, if enacted, will authorize the Federal Government, through the Minister of Justice, to appoint judges of our district courts, judges also of the Supreme Court, for certain purposes. If they make these appointments, then this Act can be



Mr. Curtis

brought into force and the district courts that we name, will be able to hear divorce actions. I am not so sure that this is a necessary Bill, but it can do no harm. As the Bill comes in for proclamation, I would not have it brought into force, if it is found that the new amendments to the Judicature Act cover the situation sufficiently. I move second reading.

MR. CROSBIE: Mr. Speaker, I notice that this Bill increases the jurisdiction of district courts also in all actions and contracts or tort up to an amount where it does not exceed \$10,000. I think that is quite a substantial increase. A few years ago the maximum you could sue for in a district court was \$1,000. Then it was increased, I believe about two years ago, to \$5,000. Now this Bill increases the jurisdiction of a district court to any action of which the claim does not exceed \$10,000. Now the minister has not explained why this is necessary. We have four Supreme Court judges now. I think the Supreme Court is not that over-burdened. Why has it <sup>been</sup> found necessary to increase the jurisdiction? I do not have any particular objection to it. Who has requested this increase in jurisdiction? I wonder if the minister could tell us that? Also whether the Law Society have been asked to comment on whether they agree with the changes or not? I believe the minister said that the other change affected by this Bill is - this is Bill No. 2, is it not, we are discussing? I am on the right Bill?

MR. SPEAKER: Bill No. 41.

MR. CROSBIE: Oh! in that case, I am not on the right Bill. Ha! Ha! Ha! It is the same topic. All these Acts are connected together, one with the other. There is a companion Bill which is going to raise jurisdiction of \$10,000 that the hon. minister mentioned. This Bill is to provide for jurisdiction in divorce action, which I do not have any objection to. I

think it would be quite a sensible thing. if the district court judge, Judge Soper, could hear divorce actions there and so on. Perhaps the minister could explain, although it is not exactly on this Bill, why the jurisdiction is also going to be increased to \$10,000?

MR. MARSHALL: Mr. Speaker, there are one or two observations that I would like to make with respect to this Bill. As I read it, it is going to give the district court judges, if the power is conferred upon them; it is an enabling Act to allow district court judges to take up or carry out, in effect, pretty well all of the duties, certainly, in torts and contracts and other civil causes, to give them the same jurisdiction as Supreme Court Judges. This is the way that I read it, on a brief reading. If this is the situation and in view of the fact that the hon. the minister has already intimated that he is going to bring in an Act with respect to the fixed circuits, I believe it is, with respect to the Supreme Court, that latter alternative would certainly appear to be preferable to increasing the district judges' jurisdiction to include all matters with respect to the Supreme Court. This is one item that I should like to have explained. Certainly, the provision with respect to the granting of probate, letters of administration and the Divorce Act, to confer upon district court judges this jurisdiction is probably most necessary for the convenience of the people on the West Coast.

But with respect to court actions, other court actions and other civil matters, I feel that this should really - it should not be open. It should not be completely open. There should be a proper limitation on it. Also, I would observe that the fact that the Supreme Court Judges are presumably going to be going on fixed circuits that this would adequately meet the needs of the people on the West Coast. Speaking on that matter, with respect to the fixed circuits, I would compliment the minister in bringing this measure, because I think it is far and away, ahead of the suggestion that had previously been made, from a former representative of the

Mr. Marshall

Humber District, the previous member from Humber East, and other individuals, to the effect that there should be a permanent Supreme Court Judge stationed in the City of Corner Brook. I feel that the Supreme Court Judges should not be separated from each other and that the provision for fixed circuits will be a good one. Bearing this in mind, Mr. Speaker, I wonder whether there is really, while one can certainly approve of the granting of jurisdiction with respect to probate and letters of administration, estates and divorce, whether it is really necessary to extend very widely the jurisdiction of district court judges with respect to these other actions.

MR. CURTIS: Mr. Speaker may I..

MR. SPEAKER: If the hon. member speaks now, he closes the debate.

MR. CURTIS: Mr. Speaker, in reply to my hon. friend, I would like to say that I thank him for the pat on the back. I am not used to it. This Bill will be coming in by proclamation. That means we can bring it in section by section. I want to assure the House, as far as I am concerned, none of these sections will come in until the need is proven. The Bill is brought in because of the agitation from my hon. friend, our late friend, the late member for the Corner Brook area. He has asked for this so often that we decided to bring in the Bill so that, at least, we will know that we can do what he requested, if the need appears to be there. I am hoping that the fixed circuits of the court will satisfy everybody, both for administration purposes and others. But on the other hand, of course, you can hardly wait three months for letters of administration in case of a death. So it might be necessary to give the court that power, either under this Act or under the other Act that I will bring in. I think this is the Judicature. Under the District Courts Act, we are bringing - the district court judge would be able to issue attachments, which is something that they have been requesting on the West Coast. It is something, I think, to

Mr. Curtis.

which they are entitled.

So, I think we will be able to satisfy the former member on all points and that this Bill will enable us to do so. It seems to be still there. We are guided in a large measure by the members of the Bar of Corner Brook.

MR. MARSHALL: Expanding of jurisdiction of the district court judges to all phases of activity that the Supreme Court Judge now enjoys, is this correct?

MR. CURTIS: We can discuss that in committee.

MR. MARSHALL: I see.

On motion a Bill, "An Act Further To Amend The Judicature Act," read a second time, ordered referred to a Committee of the Whole House presently.

Motion second reading of a Bill, "An Act To Amend The Agreement Ratified By, And Set Forth In The Schedule To The Canadian Javelin Limited (Agreement) Act, 1966, And To Make Certain Provisions Relating To That Agreement."

MR. CALLAHAN: Mr. Speaker, there are three Bills, in fact, on the paper, Bill No. 19, 20 and 21, which are similar in character, although they deal with different applicants. The three are Canadian Javelin Limited, The Commodore Mining Company and The Big Nama Creek Mines Limited. In each case, the Bill proposes an extension of agreement. So I will try to deal with all three at once. In respect of Canadian Javelin, the Bill would amend the agreement ratified by and set forth in the schedule to the Canadian Javelin Limited (Agreement) Act, 1966 and would extend on the face of it, by three years, the exploration period, under the agreement forming the schedule to the Act and increase by \$75,000 the amount of money to be expended as a minimum in prospecting and exploring by Canadian Javelin in the reserved areas referred to in the agreement.

Canadian Javelin's exclusive mineral exploration agreement with the Government, Mr. Speaker, dated April 1, 1965 was ratified by an Act of this

Mr. Callahan.

House, the Act No. 12 of 1966. The agreement was for a period of five years. This Bill would extend the exploration period so that it now would run for a period of eight years, from April 1, 1965.

MR. CROSBIE: Seven years.

MR. CALLAHAN: Well somebody has counted, incorrectly then, Mr. Speaker, because the period in the note I have is for eight years. I think in the note on the Bill it extends by three so that if there is a wrong calculation, certainly the intention is to extend by three years.

The company was required to spend a minimum of \$25,000 a year on prospecting and exploring for minerals in four areas in Central and Eastern Newfoundland. This Bill provides that the company will be required to continue to spend a minimum of \$25,000 on prospecting and exploring the areas for minerals in each of the three years of the extend exploration period. Otherwise the agreement remains unchanged.

Just to briefly explain the position generally, Mr. Speaker, there is no rental or land tax under our mineral exploration system. The approach rather is to require the company entering a concession agreement to expend its money entirely on exploration, rather than to require available funds to be drawn-off or siphoned off in

MR. CALLAHAN: ground rent or anything of that nature during the period of exploration. Now the provision changes of course when the company takes out a development licence or mining lease. But generally throughout the expiration period in respect of any agreement there is no requirement for the payment of ground rent or acreage or anything of that nature. The approach rather has been to require the company to spend in each case a minimum amount, which is negotiated based on what the reasonable expectations are in the area covered by the agreement. I must say that in every case so far as I have researched and I think I have researched it thoroughly, the minimum certainly has never been under-spent and in fact every case that I have been able to find has been over-spent.

In the case of Canadian Javelin, in respect of their responsibilities, the total expenditure required of them by last June 1 was \$1 million and we received on the last day of May of last year, in fact, an audited statement showing expenditure of slightly more than \$1,600,000. But every company that ever has had a concession agreement has in fact over-spent the minimum.

The second Mines Limited Agreement Act, 1966-67, would extend the exploration period, from five to seven years, and increase, in fact, I think double the area or areas which the company may select from the area described in the appendix to the agreement for the purpose of obtaining a development licence or licences of the area or areas so selected and the minerals thereon or thereunder. The three year extension of the exploration period of the concession agreement in the York Harbour area of Bay of Islands. The Company, I might say, had been applying for a five year extension. As a result of negotiations, the Company agreed to a two year extension of the exploration period and the expenditure on prospecting and exploring minerals in the area is to be \$100 thousand per year. The Company will also have the right to take one additional square mile, which as I said, I think doubles the total area under development licence at their option at the end of the exploration



MR. CALLAHAN: period. This is the normal procedure and of course the conditions applying to that licence are established, well established, as a matter of Government policy and will be applied to the development licence in the area covered by it.

The third Bill, which is No. 60, Mr. Speaker, would amend the agreement ratified, confirmed and adopted by the Commodore Mining Company Limited Agreement Act, 1968, by extending the exploration period named therein from five to seven years and by requiring the Company to spend, pursuant to the agreement, additional monies in prospecting and exploring for minerals in the areas described in the appendix to the agreement.

There are eight separate areas in the Commodore Agreement, Mr. Speaker. The agreement as it now stands will expire on May 31, 1972. The Company feel that with the easing of the investment money market, they can do a great deal of work, obtain a substantial fund in their own right and also induce other companies to invest, under joint agreement, to much greater effect than has been possible for say the past four or five years. Although I must say they have done very well. Their present agreement would expire in the normal course on May 31 next.

One of the conditions of that agreement is that the Company is required to spend not less than \$250 thousand on mineral exploration within the five year period of which not less than \$50 thousand should be spent during each twelve month period.

In the first two year period of the agreement, the Company reported expenditure totalling \$271,119.00 by that Company and by three other associated Companies and I might say highly respected companies, is followed by Commodore itself with \$52,870.00, by Pavonia, which I believe is a major subsidiary of the Canadian Pacific Railways - \$78,046, by New Jersey Zinc Exploration Company - \$84,223, and by Texas-Gulf Sulfar Company - \$55,980.

Commodore has told us that negotiations are now in progress involving immediate additional major exploration expenditures by this Company and

MR. CALLAHAN: associates. He has therefore requested, or the Company has, that the mineral exploration agreement be amended so as to grant the Company, in the first instance, an additional three year period, but following discussions and negotiations, the Company agreed and now is asking for an extension for a two year period and, of course, the Company agrees to spend an additional \$100 thousand in the extended period.

This, Mr. Speaker, is the only Newfoundland company which is actively engaged in mineral exploration in the Province and during the three and a half years that it has been active, it has attracted to the Province and become associated with (and I mentioned some of them) large and influential mining companies. And again, as in the other cases I mentioned, within the first period of the exploration agreement, it has expended more than the requirement not only for a year but in fact for the entire five years of the agreement.

Now Mr. Speaker, I commend the Commodore Mining Company and the extension of its agreement to the House. The total expenditure on exploration, Mr. Speaker, in this Province, in about eighteen years has gone now well in excess of \$100 million. The total investment in mining development, if we include the new development now proceeding in Labrador, come close to \$1 billion and the total output of the mining industry in this Province last year was \$358 million.

All of the exploration that has gone on leading to that development, except for a very small fraction, has been done, undertaken, paid for, Mr. Speaker, by private companies such as those I just mentioned, such as those extensions to whose agreement are sought in these bills today. Not only has exploration taken place, not only have the mineral potentialities of the Province been mapped and these very very extensive programmes of exploration, but also the information that is gained from these exploration programmes, by agreement comes to the Government. While again for the period of each agreement being presented, the information obviously must

MR. CALLAHAN: remain confidential because of the competition in the mining business. Nonetheless there comes a time within a very short number of years when the agreements expire, when this information can be transmitted to maps and can be gotten into the hands of the public and other potential investors and in fact result in making this Province a more attractive place in which to spend money on exploration, which is a pretty speculative, high risk business. But if we had to wait for public money to become available on the scale that would enable the kind of exploration, the kind of information and certainly the kind of development that has taken place, Mr. Speaker, we would have been badly left.

The mining industry in this Province, well this Province, as a result of the mining industry, has the highest per capita output of minerals in dollar terms in any Province in Canada except Alberta, with its vast oil production. We are, I think, about fifth in Canada in terms of the dollar value of mineral production and our total production has gone, in eighteen or twenty years, from \$25 million to, as I said, \$358 million in the year just past. This is important, this is an exciting growth, Mr. Speaker, not all limited, incidentally, to Labrador. The dollar value of production in base metals, fluorspar and in asbestos on this Island, over the past ten years, has more than tripled.

MR. CROSBIE: Is this a filibuster?

MR. CALLAHAN: No Mr. Speaker, this is not a filibuster, but it is an opportunity to say why it is important to have private investment and exploration activity in the mining industry?

MR. MURPHY: We are willing to close early if the hon. member wants to go to Gander for the meeting. It is all right with us, so do not delay the House.

MR. CALLAHAN: If the hon. gentleman would like to come to Gander, we would be glad to take him with us.

MR. MURPHY: God help me!

MR. CALLAHAN: But, Mr. Speaker, all these are indications of the vast, vast importance of activity in the exploration field. I think we are now in a position, as a result of the mineral resources agreement that is about to be signed and to which my colleague, the Minister of Community and Social Development, referred the other day, to provide an even more favourable plant. Because there has been geological work done but there is not done but there is not done the kind of economic work done, the kind of detailed mapping done that is so necessary to the inducement of private companies to come and spent vast sums on exploration. Out of the agreement that is now in the final stages of negotiations with the Government of Canada, I expect and fully anticipate that we will get done the kind of detailed geological mapping that will make this Province, perhaps for the first time, generally a really attractive place to put mineral exploration dollars.

The fact is Sir, that less than twenty-five per cent of the Island and virtually nothing of Labrador has been mapped with geological detail, as required for the mineral industry and to attract investment.

This is not to say that other good work has not been done, but the point of view of economics, from the point of view of investment the basic work has to be done before we can really expect private companies on a large scale to come and spend these vast sums of money that I have indicated are being spent by forty or fifty companies that are now here.

Mr. Speaker, I have great pleasure in moving second reading of these three Bills.

MR. CROSBIE: Mr. Speaker, I gather that the thing to do is to speak on all three at once. It is quite agreeable with me.

MR. SPEAKER: I did not make any ruling at the beginning, It is not exactly correct to have three debates going on at the same time but I think, for the sake of speeding up the business of the House and seeing that the Bills are related, remarks, on any one of the Bills or on all three, could be given at the same time. But we still would have to have each one read separately.

MR. CROSBIE: Mr. Speaker, I was listening to the Minister, with a great deal of sympathy, mention these three Bills, until he started with the horse feathers, until he started with the hyperbole about the magnificent record of the Government in mineral development here in this Province in the last twenty years.

That is somewhat fickle. It is just not correct and, therefore, I have to answer that; before going on to this particular point. The hon. Minister says that we have the highest per capita output in any Province in mineral production in Canada. I say, so what, so what?

MR. CROSBIE: What are the results, what are we getting out of the mineral production of this Island as compared to other Provinces? What we are getting out of it, Mr. Speaker, is pretty infinitesimal. If we look up the current account estimates for this year, the year 1971 -72, presented to the House, we see, under taxation, revenue, mining tax and royalties, the last year we received \$3,223,000, the Government did, in revenue from all the mining tax and royalties imposed in Newfoundland and Labrador. \$3,223, 000. That is one of the things we have to look at, Mr. Speaker, when we are deciding whether or not the Government is making the best use of our resources and our mineral resources, and quite obviously it is not.

The complete revenue that we get from the Wabush Mines project, the Iron Ore Company of Canada project at Labrador City, the Boylen Enterprises at Baie Verte, the Rambler and all the others, The Brinco mine down at Whalesback and the various mines the Minister of Education so often mentions with great pride, the total revenue from all of them resulted to Newfoundland last year, \$3,223,000. Practically nothing! If we look at the Wabush Mines project, Mr. Doyle's Canadian Javelin Ltd., received three times or four times each year the revenue from the iron ore produced up there than we do, than the Government of Newfoundland and the people of Newfoundland do.

When a minister cites this; we have the highest per capita output of any Province, if that is correct - the minister said it so I will accept it, if we have that it is because we have, at Labrador City and Wabush, two gigantic iron ore operations sending out a tremendously valuable amount of iron ore every year, send it outside the Province. It employs people up in Labrador City and Wabush, and that is good, and they pay their taxes and so on, and that is good too, but, from all that production, plus all the rest of the mines on this Island of Newfoundland, we are getting revenue of \$3,223,000 - and the minister acts like this is something to be tremendously proud and delighted about. The Government should be immensely



proud of that achievement? I say the Government should be immensely ashamed of that achievement, if that is the only return we are getting from the tens of millions of tons of iron ore and the hundreds of thousands of tons of copper and the rest of it shipped out of Newfoundland every year. \$3,223,000. Is it one percent? No, it is not one percent of the Government's revenue, not one percent. So, here is a Province, which the minister says has the highest per capita output in minerals of any Province in Canada, and it is not getting one per cent of its revenue from the mines of the whole Province, including Labrador. The minister says...

MR. CROSBIE: Right, it is true we do as every Province does, we will get a share of the Federal Income Tax paid by these companies. The minister calls it exciting growth. I do not call it very exciting growth. What mines have we had developed in Newfoundland in the last five years? Usually the hon. the Minister of Education has all those figures, have we had one in the last five years?

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Well, that is about the only one. So, it is not too exciting, now what is the cause? Every group of experts that have examined the mining industry of Newfoundland have made the same report, and according to the hon. the minister and the Government they are all wrong. All these experts are wrong, the Royal Commission on economic prospects, that great commission which was called ninety percent trash, Mr. John Grubb was one of the members. But now he is one hundred percent solid gold, he is going to be chairman of the development corporation. He was ninety percent trash then. That commission reported that in the development of mining we are going at it the wrong way, They had their consultants and they said that too few promoters were getting too large concessions from the Government of Newfoundland; That too much of our mineral potential was been given over to too few people who did not have the funds to properly explore and develop it. That is what the Royal Commission on

economic prospects said.

The Atlantic Development Board did a survey two years ago of all the Atlantic Provinces, What did they say about Newfoundland's mineral record? They said exactly the same. They said too little money is being spent by too few people on areas of great size, on concessions of great size, and this is holding back the mineral development of Newfoundland and Labrador. That is what they said. The Government cannot cite, the minister cannot cite one impartial Royal Commission or other experts' report on our mineral situation in Newfoundland that does not report the same thing, not one. All we ever get is this absolute piffle about the great value, increase in value. In the last fifteen to twenty years our mineral production increased in value from twenty-three million to one hundred and some million or two hundred and some million. So what? What is the Government getting out of it, and and the people of Newfoundland apart from the few with jobs? \$3,223,000. What could have been accomplished if we were not giving these tremendously large concessions just to Canadian Javelin and the few others that get them? That is what needs to be discussed.

The minister said that only twenty-five percent of the area of this Province was properly geologically mapped. That is what he said. Well, the answer is then that we have to face facts. Whose fault is that? Who has been the Government of the Province for the last twenty-two years Mr. Speaker? Who has been in charge for the last twenty-two years? Why is it that only twenty-two percent or twenty-five percent of the island is geologically mapped? It was the responsibility of the Government of Newfoundland. If they had decided to spend the money and put the effort into it, the whole island could have been mapped geologically by this time, but it is not. The fault rests with the Government. If this is impeding and hindering our mineral development we know where the fault lies.

Newfoundland, the minister said, has the fifth highest dollar value of mineral production. Well it is too bad we do not have the fifth highest value of revenue from mining tax and royalties in Canada. Our

record is not good in mineral production. Every impartial body that has examined it has had the same criticism, the Government will not admit it.

Mr. Speaker, let us look at these three Bills. The minister has not said, and I would - the minister is back now. I am glad he is back. I would like the minister to answer this question Mr. Speaker. The minister wants to extend these three concessions. Would the minister tell us, when he speaks to close the debate, does anybody else want these concessions? Has any other company or firm or person come to the Government and said, 'we would like to have that Big Nama Creek Mines area?'

MR. CALLAHAN: I can answer that now; the answer is no.

MR. CROSBIE: All three? No part of the Canadian Javelin area, and no part of the Commodore Mining? Well that is good. Nobody apparently is looking for that or has been.

MR. CALLAHAN: That is our problem; if they were we could put it on bids.

MR. CROSBIE: Good, well that clears up this. Nobody else is being deprived if they get the extension.

Would the minister tell us then this. Under all these agreements, the people who get the concession have to spend so much money a year in exploration, and the minister said that he received an audited statement, for example, from Canadian Javelin Ltd. showing the money that they had spent. Well, I would like to know; is this an audited statement done by the minister's officers or is it a statement prepared by the company's auditors?

AN HON. MEMBER: It is done by Chartered Accountants.

MR. CROSBIE: Yes, by Chartered Accountants appointed by the Government?

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Could the minister tell us then, who were the Chartered Accountants that submitted the statement on Canadian Javelin Ltd. Would that be Lee and Martin?

MR. CROSBIE: The point I am getting at is this, Mr. Speaker, what check does the Government make into - one of these people with a concession

produces an audited statement from his auditors, or some firm of Chartered Accountants, saying such and such money was spent. Does the Government check into whether this is so or not? We know in ninety-nine cases out of a hundred, of course, it will be so. If it is a firm of Chartered Accountants, they are reputable, but what check does our own Government do? When they have field parties out, when they are supposed to be spending money here, what check does the minister or his officials make into this? Can we be sure that this money is actually being spent? Do we ever send in an auditor of our own to do a quick check on the company's books, when they are not expecting us to come in, so that we check out these statements? If we do not do that we should.

With respect to Canadian Javelin Ltd., this is quite a large area, 1,317 square miles involved. Deadman's Bay 218 square miles, Great Burnt Lake 236, South of Badger 633 square miles, North of Badger 230 Square miles. That is quite a sizeable part of this island, Mr. Speaker. The island I think is 48,000 square miles, this is about one-forty-sixth of the whole area of the island of Newfoundland, a substantial area. They have had the concession now for four years, they want it extended another three. This is Bill number (1) and the amount they will spend each year will be not less than \$50 thousand in these next three years I believe it is.

Is the minister absolutely certain that they have expended the money that they say they have expended, number (1), because after all, Canadian Javelin Ltd. and I think I am right, that the only development they have initiated in Newfoundland to date is Wabush Mines. I am forgetting now the forest. The only mining development was the one - the Wabush Mines one. They have had substantial mineral concessions there ever since then. They have the whole NALCO subsidiary there - so to date they have not developed any other mines in Newfoundland. Does the minister know of any promising situations they have now in this area within Newfoundland and Labrador?

I do not say that I am going to vote against this. The minister says there is nobody else looking for this concession. If that is the case, they may as well have it. It is only an extension of two or three years. Perhaps the fact that these people have these concessions scares off other people, I do not know.

Commodore Mining, Mr. Speaker, the local company, they have spent \$250 thousand, they and their assignees. I think they should be encouraged, the local people involved, I certainly see no reason not to support this extension. Big Nama Creek Mines is in the same category. To me it seems all right, They say they have spent \$500 thousand and they want an extension for another two years. The area involved has been increased to two square miles. I wonder if the minister would tell us who is Big Nama Creek Mines anyway? Who are they? Who are they controlled by? What information does the minister have? Are they a subsidiary, and who is the promoter of Big Nama Creek Mines Ltd.?

Mr. Speaker, I do not think I am going to oppose any of the three extensions, but I would like to have those couple of questions answered. I think that the minister's misleading puffery about the great record in mineral exploration here in Newfoundland had to be at least questioned. Other than that I do not think I will oppose these Bills.

MR. H.V.R. EARLE: Mr. Speaker, in connection with these three Bills, like the previous speaker I certainly have no objection to the extensions of Commodore, or to the Big Nama Creek Mines agreement. I question whether the Government is wise in extending the Javelin concession. This is of particular interest to me and the part of the country I represent, which is on the South Coast. If you look at a mineral concession map of this Province you will see a large area covered with one colour. That colour represents the concession which has been given to the Javelin Company. It stretches right up through the centre of Newfoundland and part of the Burin Peninsula, and a tremendous area of the country. Now I am quite sure that even though Javelin may have spent some money over



the years exploring some of these areas, there are miles and hundreds of square miles and possibly thousands that have not been looked at at all by this company. In fact, some of the areas that have been looked at from an outsiders stand point, it is questionable what is going on there.

I have mentioned in this House, on several occasions, that there is one particular area around Rencontre East where there is supposed to be molybdenite and that has been on the cards now for about thirty years. Javelin have the concession. They have sent in very, very small parties, exploration parties in there to do very insignificant exploration, and all that it has done over the years is build up the hope of the people into thinking that there are huge quantities of minerals in that area. Rumours spread and there are always going to be finds and this sort of thing. As I repeated in this House, the promoter himself, Mr. Doyle, told me outside the doors of this House, about five years ago, after the Premier had made one of his stupendous announcements about what was going to happen, that this particular area, this particular town was going to be bigger than Corner Brook. They had already discovered it, they were going to develop it and it was going to be a tremendous thing.

Since then, there may have been I suppose, different summers, perhaps parties of five or six, or maybe as many as ten people in there. The thing has been played around with, it is certainly not been done seriously or properly, and it would almost seem to the casual observer that this is just a play, that there is a pretense to hold a concession or something of this sort. Certainly in that area, to my knowledge, there has been no large sum of money spent on exploration. It causes me to wonder why, if that is an example of



MR. EARLE:

what this particular company is doing and why they have set aside to them such high areas of Newfoundland, such tremendous areas? Now the Minister told the previous speaker or at least nodded that nobody else was interested. I am wondering how energetically his department or the Government as a whole go after other people who might be interested or are these same people who might be interested frightened away by the fact that all of these concessions have already been given? There is not point in them asking for something which is already let. So I do not think that answer holds water. Quite possibly there would be other concessionaires who would be interested if the concessions had not already been granted.

Speaking of the same company, I think the same sort of schmozzle which took place not so many years ago in connection with the oil discoveries or reported oil discoveries at Parsons Pond when practically every member of the Cabinet of Government went down there in the midst of winter and were flown in by helicopters to see the great oil discoveries. As I said before there was not enough oil around to grease a winch but the people went in, there was a great hullabaloo about this and it was built up to be a tremendous thing. When statements of this sort are made and a company is built up in this manner, what is it for? Is it to fool the public and make them think that the shares of this company are worth tremendous sums of money? Is it a case of promoters making a lot on the stock market because a big announcement comes out and the value of the shares goes up? The whole thing does not seem to be done in any proper sense in any way when the operations of this company are considered.

Then, to top it all off, there was an article in the paper the other day when the securities exchanged commission came out and cautioned the public to be very careful in trading in the shares of this particular company. Now when a reputable journal comes out with that kind of a statement and it is printed in the news media it would give cause to wonder if the concessions

MR. EARLE:

which we are ask to give here, the extension of concessions which we are ask to give here to this company are certainly being directed to the right people. As I say, from evidence that I have seen in my own district, from experiences I had in going down and looking at Parsons Pond and from the reports of the Securities and Exchange Commission I think there is grave doubt why we should extend the agreements with this particular company.

MR. MARSHALL: Mr. Speaker, to speak principally with relation to the Canadian Javelin Bill, although the same observations can pertain by and large to the other Bills that are being introduced, the first thing we see here is that this is an extention for a three year period of the exploration rights under the agreement and, if we look at the appendix to this agreement in the principal Act, we see that the land involved, the concessions involved is not a small area. Indeed it is made up of many hundreds of square miles, 218 square miles in one, 236 in another and 633 in another and it is rather surprising, not really surprising when you consider the relationship of the Government to the owner of this company, Mr. John C. Doyle, but it is rather surprising that this large concession over this large area will be given for a three year period for what really amounts to an increase of \$75,000., the amount of money required to be expended as a minimum in prospecting by Canadian Javelin.

Now the Minister has stated that there are no taxes with respect to mining companies and mining claims of this nature, that the Government requires the company to spend monies in exploration. But it is very well-know, Mr. Speaker, it is very well-known, and it has been observed in that Royal Commission that the Government does not like to hear about, that Royal Commission on Economic Prospects, that there should be a mining tax and the Government should take a fresh look with respect to its attitude towards the mining companies themselves. It was recommended, for instance, that the term "concession" as such be dropped and that a new mode be introduced, that of creating mineral areas. Mining areas

MR. MARSHALL:

or mineral units, as they are called, is a basic measure of dividing geologically the nation of Canada itself into geological units for exploration purposes. It was stated that this Province, the Government of this Province, should divide the entire Province into these units for efficient and effective management of exploration rights. This, of course, is not being done. Instead we are content, we have the opportunity to have at least reclaimed some of these mineral rights and, if you wanted to give them out on the sensible and sane rational basis as recommended by the Economic Commission report and as adopted in most other Provinces of Canada, which have forward looking Governments, it could have been possible to have reclaimed these lands, adopted, with respect to these areas, the unit principle and require a much better and much more equitable minimum expenditure for exploration than is contained in this Act based upon, as the Commission points out, the known potential for the area.

That makes me wonder whether or not the Department of Mines knows the potential, can inform us, generally speaking, I know not in specifics but generally speaking, what is the potential of this area, what assessments they have made with respect to this area. How does the Department of Mines know that Canadian Javelin and these other companies have explored their concessions and their mineral licenses to the best advantage of the Province itself? It has been pointed out and it was pointed out that the Department of Mines needed to be strengthened and certainly the Minister ought to tell us the overall potential of these areas, what discussions were had with the concession holders with respect to future development. Certainly if an additional amount of \$75,000. is all the minimum amount that is required, apparently the Government did not drive a very hard bargain with Mr. John Doyle again.

Now with respect to this matter, it is obvious, from looking at the Legislation, that this is another child of the "develop or perish" attitude where the Government instead of taking a firm hand with the companies, instead

MR. MARSHALL:

of seeing that proper development programmes are set forth, that there is proper planning and instead of seeing that the licenses are exploited to the benefit of all Newfoundlanders for the full provision of jobs, merely accepts the status quo, as it were, an extension to Canadian Javelin for another three years on to what, to my view, is for a very, very paltry and small consideration.

It is to be noted also, Mr. Speaker, that certainly the time has come in this Province where we hope to advance more rapidly into twentieth century living; that the time has certainly come for this Government to explore in a much more vital way and a much more vigorous way the possibility of actually levying taxes on the mineral industry in Newfoundland, to a much greater extent than is now done. This was recommended by the Commission, not only recommended by the Commission but recommended so many years ago by the Federal Department of Mines and Energy. It certainly is very apparent that a look has to be taken by Government, not only with respect to the mining companies but with respect to the other industrial sectors as well, to ensure, on the one hand, that the people who hold concessions or licenses are exploiting and furthering these licenses and concessions to the full extent possible so that the maximum and optimum amount of jobs will be available for Newfoundlanders. After all, this is the purpose for the existence of these resources, and at the same time, balance this out by seeing that a fair return by way of royalties, commissions, taxes and what have you, are returned to the Province as a result of their enjoying the natural resources, as a result of the companies enjoying the natural resources which we have.

Now I know the Government will turn around and say that this they are doing. But they have certainly been doing it ineffectively as indicated by all of the reports that have come out, particularly with respect to the mining segment of the Government, and we must take a very, very strong and closer look. It is very disappointing to me to see an extension again of the

MR. MARSHALL:

old status quo, as it were, without the Government taking a vigorous attitude and telling the House and telling the public of this Province that it is prepared to stand on its feet with respect to the mining companies and take a much more positive step which will result in the provision of a greater number of jobs and also a greater return to the Treasury of this Province.

MR. HICKMAN: Mr. Speaker, if I may have a few words in connection with these three Bills, Bill No.60 and Bill No. 56, dealing with the Commodore Mining and the Nama Creek Mines, would appear to be in order and supportable. But, Mr. Speaker, when we are dealing with the principle that we find contained in these Bills, I think we are entitled to expect of the hon. Minister introducing this Bill some indication as to what Government is actually doing, I am very particularly concerned in this respect as to what this Province is doing to avail of the investigative and surveying grants and proposals and help that are available to Provinces generally.

I was told quite recently, by a mining promoter or developer of repute, that Newfoundland is the only Province in Canada today in which there has not been a complete survey of the mining potentials of the Province. If in the Province of Ontario or the Province of Nova Scotia or in the North West Territories a mining company wants to invest some of its capital in that area, it is not called upon to make the initial investment of ascertaining the geological formation and the indications or finds of minerals in the area. This can be done by going to the central registry in Ottawa or the central registry of the Province. They know the formation, the geological formation of the Province or that area; then they decide whether or not they are going in to do further exploration. In this Province because of our, and this does not cost the Province of Newfoundland any money, I am told, but because of our failure over the years and our continued failure to avail of this programme we still find that mining companies like Nama Creek and Commodore Mining and any mining company has to spend much of its main trust and much of its money



MR. HICKMAN:

in doing the type of exploration that the Government of Canada is ready, willing and anxious to provide.

Mr. Speaker, I would like to hear from the hon. the Minister as to why these surveys have not taken place in the Province, why we have not availed of the Federal assistance to the extent that we can if we showed the initiative and the desire? Now, Mr. Speaker, the third Bill, Bill No. 1, the Bill to extend the concessions given to Canadian Javelin, in my opinion this House should not vote for this Bill and in my opinion this House should not support this Bill. It is not an argument to say that already Canadian Javelin have been given these concessions, that they have spent "X" number of dollars on development and that they are obliged to spend more. The fact is that Canadian Javelin, above all other companies, has tied up a great deal of our potential mineral resources in this Province. Maybe in certain areas there are no mineral at all but they are tied up - other people are prevented from going in and doing the necessary development and exploration that we would like to see in this Province.

But apart altogether from the crippling stranglehold that Canadian Javelin has on the mineral resources of this Province and apart altogether from the fact that they are not doing anything like the exploration that they should do in Newfoundland, there is another matter which the hon. member for Fortune Bay briefly touched on which, in my opinion, is most relevant and makes this Bill unsupportable by members of this House of Assembly. When we are



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deciding whether or not a concession should be extended or given to any mining company, obviously it is incumbent on Government to look at the record of the company and the financial capabilities of the company not only to do what is suggested but the financial capabilities to raise the necessary funds in the event a discovery is made.

Now, Mr. Speaker, if a mining company in North America is going to raise the funds that are required to develop any mineral finds in this Province, it can only do so with the confidence of the regulatory bodies in North America, United States and Canada, and with the confidence of the investors and the institutional purchasers. This, Mr. Speaker, makes very relevant to this debate, a statement of fact that is contained in yesterday's "Evening Telegram" the St. John's, "Evening Telegram" dealing with Canadian Javelin, which is the company that is the subject matter of Bill No. 1. The headline is: "S.E.C. cautions against trading in Javelin common shares." The statement of fact goes on to say: "The United States Securities and Exchange Commission, S.E.C. has cautioned its investing public against trading in common shares of Canadian Javelin Limited, a company with headquarters in St. John's." The S. E. C. caution is contained in an article which appeared in the April 12, edition of "Barron's, a widely read New York business and financial weekly."

Mr. Speaker, I am told that the magazine "Barron's" is really the bible of the mining industry of North America. That is the magazine that investors, departments of mines, in the various provinces and in the States of the Union, look to for guidance and they rely very heavily on the considered statements that you will find in a magazine of the repute of "Barron's" with all the research that goes into articles that they print. Then it goes on to say: "Let the buyer beware." It is the title of the article which centres around the suspension March 17 of trading in shares of Javelin. The suspension terminated April 5. The suspension was ordered because of the lack of information concerning

a mining concession in Panama, owned by Pavonia S. A., in which Javelin owned shares and has options to require the balance of its securities."

"Barron's" quoted S. E. C. as saying: "Rumours concerning this concession had apparently been the basis for recent sharp increases in the price and volume of trading of Javelin stock. Although the investigation"(This is important Mr. Speaker and quite relevant)"is continuing, the commission terminated the trading suspension, effective at the opening of business April, 1971." The article quoting S. E. C. says: "However, the commission cautions investors and brokerage dealers that it appears that full information concerning the Panama operations of Canadian Javelin is not available and that false and misleading information may be circulating among the investing public." Now this is a statement by the Securities Exchange Commission of the United States, that Canadian Javelin has been circulating, amongst the investing public, false and misleading information." So let me read it again: "Dealers, that it appears that Canadian Javelin,"(This comes from the S. E. C.)"the operation is not available, and that false and misleading information may be circulating amongst the investing public." This is the same company, Canadian Javelin, that has come into this House asking for more concessions. "It also appears possible that continued attempts will be made to circulate this type of information in the future." It lists passages from the "News Digest" of the S. E. C. going back to 1957. This is why it is so important. It is from the S. E. C. I intend to table it, Mr. Speaker, as soon as I finish reading it.

MR. SPEAKER: The only other thing that I think should be pointed out is that when an hon. member is putting information on the table of this House and he is giving it in a debate, he vouches for the authenticity and the correctness of the statement that is being made.

MR. HICKMAN: That is exactly what I am doing, Mr. Speaker, "When John C. Doyle

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major shareholder, perennial promoter, an evil genius of Canadian Javelin Limited. (Any further proof required than that) "was selling unregistered shares through the U. S. mails and paying off so-called investment advisers for touting the stock." Doyle was sentenced to three years. Everybody knows that. He was sentenced in 1965 for the offense. But skipped bail becoming a fugitive from American justice. After jumping bail, Mr. Doyle resigned as Javelin's president and became a consultant at a stipend of \$50,000 per annum, the following year. Going back to 1957. "With his help" (The article is April 12) "control of the company was vested in Newfoundland Government, headed by Premier Smallwood, an old friend, several years ago, since then Canadian Javelin, in effect, had become the chosen instrument of Provincial economic policy, a role in which it has pledged its own resources plus whatever it can borrow, to grandiose and chancey development schemes."

MR. CALLAHAN: Who is the author?

MR. HICKMAN: Barron's.

MR. CALLAHAN: Who? Who?

MR. HICKMAN: I do not know who.

MR. CALLAHAN: I mean somebody wrote it.

MR. HICKMAN: I do not know. If "Barron's" writes it and if "Barron's" prints it - "Barron's" is the bible of the mining industry.

MR. CALLAHAN: They are not the bible of the mining industry.

MR. HICKMAN: They do not print that sort of statement unless it is factual

MR. CALLAHAN: Would the hon. member permit a question?

MR. HICKMAN: And unless it is meant for the investors.

MR. CALLAHAN: Would the hon. member permit a question, Mr. Speaker?

MR. HICKMAN: "Through thick and thin the shareholders have precious little

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to show for their money, either in the form of dividends or capital. The shares today trade at half their 1957 value." The article goes on to say: "that Federal regulations may prate of full disclosures and truth in securities with respect to Canadian Javelin" However, the watch word remains, "Let the buyer beware."

MR. CALLAHAN: Who wrote the article?

MR. HICKMAN: I do not know who wrote the article. All I can tell.

MR. SPEAKER: Order please! It is as I pointed out just now. The hon. member says he does not know who wrote the article. I presume that he was reading from the S.E.C. report or a newspaper article. He automatically vouches for every single word of truth and authenticity in it. Otherwise, it is a serious breach of the privileges of this House for any hon. member to put the opinion of a newspaper commentator on the table of this House and vouch for its authenticity, if it is found to be wrong, it is a serious breach.

MR. HICKMAN: Mr. Speaker, this article which appeared in the St. John's "Evening Telegram" which is quoted from "Barron's". I submit to this House - I submit to this House, Mr. Speaker, that any article that appears in a reputable magazine such as "Barron's" is authentic. What I would ask the hon. minister is to tell me what he takes issues with? What statement in here does he take issue with? Does he say that the control of the company is not now vested in the Newfoundland Government? Does he say that?

MR. CURTIS: Mr. Speaker, I rise to a point of order. Order this member to stop talking nonsense.

MR. SPEAKER: This is not really a Point of Order. An hon. member cannot table a clipping from a newspaper. He knows that as well as any other member of this House, I think. If some hon. member is going

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to quote from a newspaper, he tables the newspaper. If he quotes from a magazine, he tables the magazine. He does not table clippings, but I point out once again that when an hon. member quotes from any printed matter, whether it is a newspaper article or a magazine or anything of this kind; if he quotes from an official document of the House or some other House and tables it, then that is all right, but when it is not an official document, he has to stand behind it and he is telling the House that every single item in this article that he is quoting is absolutely true. If it does not turn out to be true, then he is misleading and therefore, he will take the consequences of quoting material that he cannot vouch for. I am not intimating that he cannot. But when a person quotes from any article or any newspaper, he must automatically vouch for the authenticity and the accurateness and the correctness of the words that he is quoting.

Furthermore, there is a debate on now concerning an extension of time for Javelin. What the hon. member is saying is perfectly relevant, I will agree. At the same time, if it is perfectly relevant, this House is not interested in the opinions and the quotations of others. No person can say in the House actually, other than what is his own words; not the opinions and quotations from somebody else on a matter that is directly before the House at that particular time.

MR NEARY: Mr. Speaker, may I be permitted a question? The information that was read from that newspaper clipping is now going out over the airwaves via the press gallery. The damage is done. Should the hon. member not do one of three things - either back up what he is saying, retract it and have it stricken from the records of the House or withdraw it?

MR SPEAKER: I have already stated that the hon. member, if he goes on the record as stating that every item that he is saying is exactly correct and he



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can authenticate the statement, then he can put his statement into the record.

MR. HICKMAN: Mr. Speaker, did you ever hear such nonsense. This has already gone out over all the air waves. This was in the public press yesterday. I have been sitting in this House..

MR. CALLAHAN: Challenging Your Honour.....

MR. SPEAKER: Shall we continue with the debate.

MR. HICKMAN: I have been sitting in this House, Mr. Speaker, on that point of order, for the past four years. Every second speech I hear coming from, particularly, the Leader of the Government, on budget debates we listen to quotations from the "Globe and Mail" from the "Manchester Guardian" from "The London Times" you name it. Then it is all right, when it is coming from the other side of the House, Mr. Speaker..

MR. SPEAKER: Before the hon. member continues any further, do I gather from his latest remark that the remarks I am making from the Chair are all right for some other person on the other side of the House to make?

MR. HICKMAN: What I am saying, Mr. Speaker is that the precedent has been established in this House and established time and time again. Practically every speaker, participating in a debate in this House, quotes from magazine articles, newspaper clippings, to substantiate their arguments.

Now, Mr. Speaker, the point that I am trying to make in connection with Bill No. 1 is this: that when we are extending to Canadian Javelin the right to continue exploration of our mining resources in Newfoundland that it is not an answer to say that they already have the right to do it. They have spent some money. They are going to spend some more or they must or otherwise this Bill is not effective. Surely, the first obligation on the Minister of Mines and the first obligation on Government when granting any mineral concession be it to Canadian Javelin or Commodore Mining or Big Nama Creek or any other is to satisfy themselves that that company has not only



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the technical capabilities of carrying out the explorations that are necessary and that are so desirable, but having done that and if they should be fortunate enough to find minerals that they have also behind them sufficient financial resources in order to explore it and not have these minerals lie in the ground undeveloped and other people preventing it from doing it. That is the relevancy. This is why Canadian Javelin has to be looked at. This is why the position of the S. E. C. is so important. Because this is where people go for - this is where the Government go for its money - not for its money, but under its control. This is why the prospectus had to be filed in the last loan in New York, because the S. E. C. said so. Of course it does, because the S. E. C. has such strong regulatory powers ...

AN HON. MEMBER: The last loan..

MR. HICKMAN: Not the last loan, any loan. It has such strong regulatory powers to protect the investors of the United States of America. This is why I say, Mr. Speaker that in dealing with any company, it is incumbent on the minister to be sure that that company has the blessing and the approbation and the approval of the S. E. C. Otherwise, where do they get their money to develop it. Where do they get it? What is the point in trying up this Province's resources, if, Mr. Speaker, we cannot develop them should they be found? I know Mr. Doyle developed Labrador. Everybody knows that Mr. Doyle developed Labrador. Everybody knows that. Everybody knows that Newfoundland or the Government of Newfoundland now, through the agreement that was signed three or four years ago, has some sort of voting control over Canadian Javelin. We know that. But we do not know what financial resources this company will have to develop the minerals of this Province. We do know that there are mineral areas in this Province that have not been touched where Canadian Javelin have concessions. We do know that

MR. HICKMAN: I know that other mining promoters would love to get into this Province and we do know that the -

MR. CURTIS: Plans to -

MR. HICKMAN: Pardon?

MR. CURTIS: What company would want to come in?

MR. HICKMAN: We do know, Mr. Speaker, that one of the reasons why they are not coming in is because...

MR. CURTIS: Who are they? Who are they?

MR. SMALLWOOD: Who are they? Who are they?

MR. HICKMAN: I do not propose to tell the Government, you are in the Government you should know who they are. You know who the applicants are. You know, you had one in two or three weeks ago, just two weeks ago.

MR. CURTIS: Do not be such a bluff.

MR. HICKMAN: You had one in just two weeks ago.

MR. CALLAHAN: Inaudible.

MR. HICKMAN: You were supporting it; he was a great fellow.

You do not have to tell me all about it. I know.

MR. CURTIS: You are only bluffing.

MR. HICKMAN: Anyway, Mr. Speaker, I will not.

MR. NEARY: When the hon. gentleman speaks, they all know.

MR. HICKMAN: Of course, you know it. Know all about it, except you do not know anything about this Bill that is before this House. It is one thing you do not know about, if you do know about it, you have not told this House.

Mr. Speaker, I will call on hon. members in this House not to vote for Bill No. 1.

MR. CURTIS: Hear, hear, we will listen to you!

MR. NEARY: Mr. Speaker, before the hon. member takes his seat, I would like to ask Your Honour if he would clarify for me again the position on that clipping that the hon. member read from.

MR. CALLAHAN: An anonymous.

MR. NEARY: That anonymous clipping from the Tory newspaper. Does he have to

MR. NEARY: retract it, Mr. Speaker? Does he have to apologize to the House?  
Can he be censured because he would -

MR. HICKMAN: Why not?. Why not? Why not?

MR. NEARY: He would assume the responsibility and produce the evidence  
to back up what he was reading from that clipping. Can the hon. member  
be censured, Mr. Speaker? Because the damage is done. The hon. member will  
be quoted -

MR. CROSBIE: Hog wash! Hog wash!

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, what is the position on that clipping?

MR. CROSBIE: Mr. Speaker, on that point of order.

MR. SPEAKER: It is raised as a point of privilege. I have already given,  
I said what I have had to say about this matter, Hon. members can read into  
the record statements, magazines, newspapers and so on. But, in so doing,  
they take full responsibility as to the accuracy and the authenticity of the  
words there, because when they go on the record they are no longer quotes  
they are words of the member who spoke them, regardless of where he got them  
from.

MR. CROSBIE: On a point of order. what the hon. member has raised is a  
point of order. Beauchesne -

MR. NEARY: About the point of order raised, it was a point of information  
and you have given your ruling, Mr. Speaker, so the hon. gentleman is out  
of order.

MR. SPEAKER: Order please! As far as the Chair is concerned the matter is  
now closed in respect to the newspaper article. We may continue the  
debate on the orders.

AN HON. MEMBER: Inaudible.

MR. NEARY: Refused to take his seat while Your Honour was giving a ruling.

MR. SPEAKER: Is the House ready for the question?

MR. CALLAHAN: Mr. Speaker, I am not going to deal with the foolishness.

MR. SPEAKER: If the hon. gentleman speaks now he closes the debate.

MR. CALLAHAN: I am not going to go very far into the foolishness of what  
we just heard related on the other side, because, Mr. Speaker,

MR. CALLAHAN: It really is not worth dealing with to that extent, except to make one or two points. One of them is that it is completely an anonymous article. We do not know who wrote it. We do not know what it is based on. We do not know what factors went into writing it nor what biases nor what prejudices nor what special interest. On that score alone it is not worth dealing with.

The other point is, Mr. Speaker, it makes reference to the S.E.C. and a date in 1957. But, the quote from the S.E.C. that the hon. gentleman read, according to what he told me, was from 1957. A direct quote. And Mr. Speaker, that is the time when as we all know there was a matter before the S.E.C. which has been in question since, and which dealt with an infringement of S.E.C. regulations, that in Canada is completely within the Law. There is no Law in Canada that has anything to do with it, or that recognizes it as an offense. We are talking about the regulations of regulatory body in a completely foreign jurisdiction, not in this country.

MR. CROSBIE: Inaudible.

MR. CAHALLAN: We are very glad to sell them in the U.S. Mr. Speaker, and we are selling them in the U.S.

Now, Mr. Speaker, to deal with some of the other points that have been raised. The hon. the member for Burin talked about -

MR COLLINS: Inaudible.

MR. CALLAHAN: We will make Gander, Mr. Speaker, and we will make more than Gander. Gander will lead to far greater things, to the hon. gentleman's detriment. Gander will give the hon. gentleman the goose, and give him the fly and the wing. He will be long gone out of here, Mr. Speaker, when the results at Gander are announced.

In the meantime, Mr. Speaker, if we can deal with the Bill. I love dealing with Bills, Mr. Speaker, the name rings a faint bell somewhere.

MR. CALLAHAN: Oh, they will deal very well with Bills in Port au Port. It is too bad the hon. gentleman could not have been with me on Thursday,

MR. CALLAHAN: Friday, Saturday and Sunday in Port au Port, and Monday, it would have done his heart good. It would have done his heart very good.

I do not know what it would have done with his nerves. That is quite another thing.

Mr. Speaker, the hon. the member for Burin advised us that in other provinces they have a tremendous system, they work on the unit principle and they work on the known potential or was it the hon. the novice member for St. John's East? One or the other. They based their agreements on the known potential of the area.

Now, Mr. Speaker, I thought I dealt with that in introducing the Bill, but I will deal with it again, so that it is well understood. And the fact of the matter is that the Geological Survey of Canada was one of the very first agencies of the Dominion Government to be established. It is an old, old agency, it goes well back into the 1800's. And for all those years other provinces of Canada have had the benefit of detailed, not just geological information, but of detailed geological matter, so that, as the hon. the member for Burin said, Mr. Speaker, if an exploration company wishes to look for minerals in say the Province of Nova Scotia, where they so far have not too many anyway, or any other provinces, it is very simple, you can go and look at a map and see precisely, by virtue of details the geological mapping, where is the best place or the optimum place to go.

Now, we have not had that, Mr. Speaker. We missed the first years of it because we were simply not a Province of Canada, and we missed the intervening years, since 1949, because the Geological Survey of Canada has turned its eyes to the far north, and has expended very little money on detailed geological mapping since. Now we have been trying to get them back to that. While we have not done it directly through the Geological Survey, we are doing it and we will be doing it this very year through the new mineral resources agreement, which will be signed, I hope, within the next week or ten days. And it is based very largely on the requirement for detailed mapping.



MR. CALLAHAN: So that, as the hon. the member for Burin said, (I think the only sensible thing he did say. We are prepared to give credit where credit is due, Mr. Speaker) As he said, "when a company goes into a province that has this kind of preliminary work done, it saves very, very large sums of money by not having to go and do it itself." But, when a company comes into this Province, except in perhaps twenty-five percent of the land area of this Province, this Island; (much less of this Province, because virtually nothing has been done in detailed mapping in Labrador) when a company comes in here, Mr. Speaker, under a concession agreement, it must spend the first two or three years doing what in other provinces had been done by Federal funds for three-quarters of a century but which is no longer done. We came in at a time when the whole philosophy and the whole approach of the Geological Survey changed.

So the amount of work that has been done here has been rather small, and this is why, not as the hon. the member for St. John's East said, we do not have mining taxes. We certainly do have mining taxes. I did not say we did not. What we do not have, Mr. Speaker, is the kind of ground rent or lease fees that they have in provinces where companies go in with a bonus to start with because the geological mapping, the basic mapping and detailed mapping have been done. And in order to equalize that situation, we have to forego, as I explained in introducing the Bill, we have to forego that kind of approach and those charges in order to get anyone to come in here. Because it is bad enough to ask a company to come on the bases of complete speculation. Sure, we know where the Appalachian Range goes, and we know what the general stratigraphy of the province is in its various area, but, we do not know, Mr. Speaker, what the details, what the real potential of most of this Province is. And until we get detailed geological maps, oriented towards mineral development, not towards academic geology but towards mineral development for economic purposes, until we get that, we will not be in a position, unless we offer some incentive to induce any company to come in here, or at least not very many. And that is why we have only forty or fifty companies actively working in exploration in this



MR. CALLAHAN: Province.

How do we know that the areas under concession are explored? We know, Mr. Speaker, from audited expenditures. We know from certain formula that apply in terms of dollar and work credits that this is not a precise science, it is still been worked upon in other provinces to try to get a standard system across the country. But, there certainly is evidence, based upon the returns that are made and that are required to be made both financially and geologically, to show that the work is in fact done.

The matter was raised again, Mr. Speaker, of the Royal Commission on Economic Prospects and the matter was raised of the Atlantic Development Board report, and other reports that have been done, and I say again, what I said, I think, last year and the year before, Mr. Speaker, that these are all one and the same report. This is a single report done by a single individual in the Department of Energy, Mines and Resources, It is one man's opinion, and it has been included in one way or another and, almost in every case, verbatim, in every review that has been done ever since, because obviously a report issued by the Department of Energy, Mines and Resources of the Dominion of Canada is deemed to be of some importance.

As I say again, Mr. Speaker, it is a report done in the context of mineral development in parts of Canada that have had the G.S.C. the detailed mapping and the detailed survey work and development for a hundred years, which we have not had. It has been done in that context. And it is not valid and it is not true to say that -

AN HON. MEMBER: Inaudible.

MR. CALLAHAN: Well, perhaps, that is the term, Mr. Speaker, the hon. gentleman said it for me. It is not true to say that the companies engaged in exploration in this Province have not the money to do the exploration, They have more than expended the required amounts of money in every single agreement. And we have had over \$100 million, as I have said, expended in exploration alone, despite the difficulties, despite the lack of road and other kinds of transportation and despite the great problem we have of overburden, despite the great uncertainty of working in an area of glacial deposits

MR. CALLAHAN: where you really do not know where anything is, despite the general knowledge of the geology and despite the fact that we have not had, as I said, the detailed mapping that is one of the principal inducement to any company to come and spend money on exploration.

So all these reports, Mr. Speaker, are based on the same basic report. And we have had reason to quarrel with that report and we have had reason to suggest, in the right places that that report was not well based or well founded.

As to whether anyone else is asking for the areas that are the subject of these Bills, the answer, Mr. Speaker, is "no." I will say this; that it will be a very, very happy day for me or for whoever sits in my chair, when you have two or three or six or ten companies vying for the right to go into areas of this Province to explore for minerals, We would not hesitate one minute to put them on bids and tenders and take the highest tender, but we have not reached that. We have not reached it because there are still too few companies interested in coming here under any circumstances. And as to what we do to get them here, Mr. Speaker, we have a delegation, of as many officials as we can let loose, go to every exploration or prospectors meeting, the Mines Ministers Conference, where 600 or 800 of the industry people come at one time, and we do our best to induce people to come here. It is not the easiest place to come in Canada, because of problems which I have mentioned. And the miracle is that we have had the kind of interest and the kind of development we have had in the circumstances. As to what we get out of it, we have about 7,000 people now, Mr. Speaker, in this Province working in the minerals industry. Now some may say; that is not very many more than we had

twenty years ago, Somebody said it on a television programme on which I participated a few nights ago. That, as I reminded that gentleman and as I remind this House, I do not need to remind my colleagues, the Hon. Minister of Social Services and Rehabilitation, the member for Bell Island, if he is within earshot he knows what happened. We had a net decrease over a period of a few years of I think about 3000 people in one mining situation. If we are going to talk about employment in the mining industry we have to look at both sides, Mr. Speaker, not just on the jobs that are there now but also on the jobs that we have lost principally in Bell Island also in Aguathuna, which I mentioned earlier today, and other areas of this Province where mines have petered out. You have to take both sides; you cannot just take the bad and not recognize the good. The development we have had is more than compensated in itself for what was lost. We certainly would have been much happier to hold on to what we had and add to it. But there are about 7000 jobs Mr. Speaker in what is I suppose the first or second highest wage level industry in Canada. That is of some value to the Province, I suggest.

The mining industry; at the moment we have thirteen operating mines. We would like to have more but we have thirteen, big and small, turning in \$50, million a year in wages, and that is nothing to sneeze about and to sneeze at. I estimate, Mr. Speaker, that the direct and indirect taxation, which has not been mentioned here today, in terms of sales tax gasoline tax, corporation tax back from the Government of Canada and all the rest of it, runs our total receipts in terms of salaries, in terms of direct taxes, in terms of indirect taxes and in terms of royalties to somewhere in the area of about \$75 million a year. Now let us compare that with the total income of the Government not the three and a half per cent direct that we get, which is affected by all kinds of things Mr. Speaker, including depreciation and all the other factors. It

is not very easy, it has been tried in this country in recent years to get more blood out of the mining turnip if you like, but we notice, all across the country and in this House and on the other side of this House, the cry has been raised that you have to be very careful that if you are going to get people to put vast sums of money into what essentially is the high risk and very speculative industry, you have to at least give them some inducement or some expectation that they are going to get something out of it and you cannot tax it to death.

So far as the general matter of mining policy is concerned I announced some three months ago, Mr. Speaker, two things; first of all that all of our reviews of mining legislation elsewhere indicate to us that the concession system, and I do not care if that is what it is called particularly, would show the system that we now have has been far superior for this Province than any other system we might have had in the initial stages of our development as a Province.

Secondly, that at least five other provinces, including two Atlantic Provinces, are moving towards the very system that we now have. Thirdly, that as a system it is widely recognized as the most modern system there is in this country. Now that does not mean, Mr. Speaker, that it does not need to be refined and we are refining it progressively. But as a system it will serve us far, far better because of our historic situation, because of the vacuum of detailed information, because of all the reasons I have mentioned, it will serve us far, far better for the years ahead, foreseeable years ahead, than any other system we might have, because in our circumstances no other system is going to work.

Mr. Speaker, I was asked what about promising situations, are there any promising situations in the Province? I am not going to be specific, I have never felt that it was my place to say what the

real prospects of any area under exploration might be. Nor do I consider it my place to say that mines that we have are going to close, although I have been reported as saying that. I did not say that, Mr. Speaker, what I have said is this: I said it in Grand Falls in the District of my colleague, the Minister of Education and Youth, that firstly, it is no secret, and I suggest it is not any secret, that some mineral deposits in this Province are relatively limited in themselves, that not very far from them and indeed surrounding are fields where are, very, very likely are, other deposits, mainly glacial deposits. not deep deposits but deposits carried there by glacial action. Thirdly that we have to mount a programme of detailed geological mapping of geo-chemical and geo-physical exploration, of assessment of laboratory development, that will enable us to be in a far better position, as we go along, to replace or to replenish the supplies required to keep going the present mining organizations we have and in fact to bring new ones into operation. Because we not only cannot afford to lose jobs we have in the industry but we also, Mr. Speaker cannot afford not to look for new jobs in the mining industry.

Generally speaking on the basis of information that comes to me from our geologists and the deputy minister of mines and the director of mineral resources and others, I am quite convinced that we have promising situations. But I am not going, as I said, to specify them, Mr. Speaker, because that is not my place. But I will be very, very disappointed if we do not see, in the next year, two, three years, and particularly in the field of exploration but also in the field of new development, some very interesting some very valuable, so far as the economy of this Province is concerned, developments in the mining industry. We are quite sure that the minerals are there and given a good investment climate, given good market possibilities, I believe, Mr. Speaker, that we will see a number of new mines developed in this Province within, as

I have said, within the next three to five years.

On motion, A Bill, "An Act To Amend The Agreement Ratified By, And Set Forth In The Schedule To, The Canadian Javelin Limited (Agreement) Act, 1966, And To Make Certain Provisions Relating To That Agreement," read a second time ordered referred to a Committee of the Whole House on tomorrow.

On motion A Bill, "An Act Further To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Commodore Mining Company Limited (Agreement) Act, 1968, And To Make Certain Statutory Provisions Relating To That Agreement," read a second time, ordered referred to a Committee of the Whole House on tomorrow.

On motion A Bill, "An Act To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Big Nama Creek Mines Limited (Agreement) Act, 1966-67, And To Make Certain Statutory Provisions Relating To That Agreement," read a second time ordered referred to a Committee of the Whole House on tomorrow.

MR. CURTIS: Mr. Speaker, I would move that the remaining Orders of the Day do stand deferred and that the House at its rising do adjourn until tomorrow Monday at 11:00 of the clock.

On motion the House at its rising adjourned until tomorrow Monday May 3, at 11:00 a.m.