



PROVINCE OF NEWFOUNDLAND

THIRTY-SIXTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND

Volume 1

1st Session

Number 44

VERBATIM REPORT

Tuesday, July 4, 1972

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

July 4, 1972

Tape no. 1219

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The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order!

PETITIONS

MR. F. B. ROWE: Mr. Speaker, I beg leave to present a petition on behalf of almost thirty-four hundred citizens. The prayer of the petition, Sir, is that we support Judy Norman and any other persons seeking a teacher's certificate on the grounds that academic or professional qualifications be the basis for recommendation for a teacher's certificate rather than a religious affiliation.

Sir, I would like to point out that more concerned citizens are signing in support of the petition from Grand Falls, Harbour Grace, Grand Bank, Gander and more in St. John's but these have not yet been received. Sir, it is with a great deal of concern and sincerity that I support the principle embodied in the prayer of this petition. It is my firm belief that no academically nor professionally nor morally qualified individual should be denied certification into the teaching profession on the grounds that he or she refuses to reveal his or her religious affiliation. An individual's religious belief is his own private and personal affair. As far as it affects certification into a profession. To deny certification, based on refusal to state one's religious belief, amounts to discrimination and a violation of one's religious freedom and indeed may even be a violation of the Canadian Bill of Rights.

Sir, it should be pointed out that this issue has nothing whatsoever to do with the whole complex question of the desirability nor status of our denominational system of education as it now exists. That, of course, is another issue entirely. Neither does this issue have anything to do with whether or not a school board decides to employ a particular teacher. This concerns only the certification of a teacher into the profession of teaching in the same way as you would have the admission of a lawyer into the legal profession or a doctor into the medical profession.

Mr. Rowe(F.B.)

Sir, it is my understanding that no other province has a similar requirement in order for a teacher to be certified. Generally teachers' certification is based on academic qualifications as shown through university transcripts. I am appealing to the present administration to sit down with the Denominational Educational Committees and seek to work out an agreement in order to make changes in the relevant clauses in the Education Act in order that one's religious affiliations would not be one of the factors considered for a teacher's certification.

Sir, this is a very serious consideration. I, myself, am not sure whether the certification of a teacher should be a function of government or a function of a professional such as the Newfoundland Teachers' Association. This matter has to be given extremely serious consideration. However, I do plead with the government to sit down with the authorities concerned, immediately, in order to seek the solution.

Sir, until such time as an agreement is reached between the authorities and this administration, I would ask the government to set up an appeals board, immediately, in order to hear cases such as the one exemplified by Miss Norman's case. I sincerely hope, Sir, that the administration's answer will not be that the law is the law and it was brought in by the former administration. Times are changing and new situations arise. I have no hesitation nor embarrassment in suggesting modification or change to a very small section of an act brought in by the previous administration. If laws were not to be changed nor new ones introduced, there would be no need for this honourable House of Assembly. So, Sir, I ask that this petition be referred to the department to which it relates.

HON. J. A. CARTER (Minister of Education and Youth): Let me begin, Mr. Speaker, by saying that I support that petition. I support it unequivocally. I always have and I always would have and I can find no

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legislative bar whatsoever to a teacher being certified, on religious grounds. I do not think this is or was the point of the recent controversy. Of course, the controversy that has arisen in the last couple of weeks or this present issue that this petition deals with is much larger than any individual controversy could be. The reason that a teacher needs to be certified by one of the denominational educational committees is because Newfoundland education or education in Newfoundland is governed by a denominational system. All schools fall either under the Roman Catholic Board or the Roman Catholic Denominational Educational Committee, the Integrated or the Pentecostal. In fact with the exception of perhaps the post-secondary institutions none of the places of learning in Newfoundland, that is below Grade XI, Grade XI and below, fall outside of the denominational educational system. Therefore, the teacher has to elect to teach with one or more of those particular boards. There is no way of teaching in primary, elementary or secondary schools except under one of these boards. If any uncertainty should arise as to which particular board one wishes to teach with or is entitled to teach with, then naturally this particular person would be sent to another board. I can state that in the case of Miss Norman she has again applied and I feel sure that once she indicates which board she wishes to teach with that she should have no difficulty in getting certified.

Let me conclude by saying that I support the petition. I welcome the concern which obviously such a large petition expresses. I wish to assure this House and this province that a person's religious affiliation is not, was not and shall not be a bar to their certification.

MR. R. WELLS: Mr. Speaker, I would like to make a couple of points in connection with this petition which I think ought to be made. As I understand it this young lady has applied to the Board of Examiners for a certificate and the Board of Examiners, under the Education Teacher Training Act, which is the Act No. 94 of 1968, if they are satisfied or if she fulfills their

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terms and conditions that they direct the registrar to certify her as a teacher. But the thing that has bothered me all along with this particular matter, Mr. Speaker, is that I believe that the young lady has not exercised all the provisions which are available to her in the act. Now on a factual point perhaps the honourable member may know and correct me if I am wrong but in the Education Teacher Training Act there is a section, numbered Section 8, which sets up a teacher certification committee, the membership of which shall consist of a registrar, subject to Subsection 2, the executive secretaries of all the denominational educational committees, of which there are three -

MR. ROWE (F.B.): (Inaudible).

MR. WELLS: There is an appeal from any decision of the Board of Examiners. I will have another look at it but it does not appear to be the way it reads.

MR. ROWE (F.B.): (Inaudible)

MR. WELLS: Well let us have a look then. "Any teacher or board which feels aggrieved by any issuance of or refusal to issue a teaching certificate or licence made by the registrar upon examination," etc., "may appeal to this committee."

MR. ROWE (F.B.): (Inaudible)- change of certification from one grade level to another.

MR. WELLS: But had the young lady appealed to this Teacher Certification Committee on the basis of the wording as here?

MR. ROWE (F.B.): This question was asked of the minister in the House sometime back. The minister replied that there was no appeal committee, board nor branch that she could in fact appeal to.

MR. WELLS: But the Teacher Certification Committee is set out in the act and it would seem to me from my reading of it that she would have a right to appeal

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to it. I wonder if she has ?

MR. ROWE (F.B.): Well this is what it seemed to me when I looked at the act but, having asked the question, it appears that this is not the way in fact it functions.

MR. CARTER: This is as the hon. member for Labrador West stated, this is a provision and an appeal board designed more to straighten out their grade level and any other matters of conflict that may arise, natural mechanical areas of conflict that may arise between a teacher and a particular board. With minor changes, of course, it could be made into a much broader appeal board. That may be an idea. It seems to me that the machinery is already there and it is possibly worth considering. The point that I have tried to make all through this case is that there is no need for an appeal where there is no refusal. It was the young ladies misunderstanding of the way the system worked. I felt that she did not give the system a proper chance. To my way of thinking, there has not been any need for an appeal yet demonstrated. Should such a need be demonstrated, then this might be one method of handling such an appeal. It is certainly something we could look into.

MR. WELLS: Well to continue then, certainly no honourable member of this House would want to see anybody denied the right to a teaching certificate by reason of some denominational matter. It is a question of legal interpretation. I still feel myself that this act would allow her to appeal to this Teacher Certification Committee and I feel that whatever is done by way of what this House may do or the department may do to facilitate these matters, I still feel that somebody who is in communication with this lady should tell her or advise her to make such an appeal to the Teacher Certification Committee to see what happens. It may be that I am wrong. It may be that they would say; "we have no jurisdiction to hear the

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appeal." Certainly I feel that right away she ought to try that procedure. It will then be a matter of interpretation whether the wording of the act covers it. I, myself, feel it does.

MR. ROWE (W.N.): Mr. Speaker, I would also like to speak a few words in support of the principle of the petition tabled in the House by the hon. member for St. Barbe North. I must say in beginning my few remarks, Sir, that just upon the first reading of that section by the hon. member for St. John's South, it seemed to me, without studying the section in that act, that it might be broad enough to cover the particular case in question. It does talk about the certification of teachers. It does not necessarily talk about a teacher already being certified and then looking for a greater rank or anything like that.

MR. WELLS: What is so significant here is: The registrar is essentially only a functionary. The Board of Examiners decide on the fitness or otherwise and recommend to the registrar. In this case, they did not recommend to the registrar so he could not then issue the certificate. I think the section is right on point. The registrar is a member of this committee on which, of course, I think there would be a nominee from the Department of Education, two people from the university, two people from the Newfoundland Teachers' Association and the three denominational educational representatives. I think it is wide enough.

MR. ROWE (W.N.): Well agreeing with the honourable member, I think the section that he has read seems to be on point. I think it is perhaps somewhat irrelevant in this particular case because there are one of two possibilities, either the board mentioned in the particular section has not seen fit to arrogate unto itself the jurisdiction which they may already have or (2) and worst again, if the body referred to in that section does have such jurisdiction nobody, including officials of the Department of Education, the D.E.C.'s, apparently saw fit to mention it to the young lady in question. Here we have a fortuitous mentioning of the situation by a member of this House who happens to have the industry

to look up the act on his own which strikes me as being a little bit on the haphazard side when we are coming to this type of procedure.

HON. E.M. ROBERTS (Leader of the Opposition): Why do not two DEC's go to the Integrated and Roman Catholic and have a look at the application?

MR. ROWE (N.N.): Yes that is right. two DEC's have a look at the application and I have talked to the young lady briefly. Albeit I think my honourable friend has talked to her, I do not think this point has ever come up. The possibility has never come up ever which means that even if the section of act is on point. Mr. Speaker, nobody has seen fit to mention it to her. Surely, as my honourable and learned friend knows and as I know, having been a practising lawyer at one point, people do not know the law. This is why they have high paid lawyers to tell them the law: ordinary laymen do not know the law.

In any event, Sir, that is by the way. What I would like to say in support of the principle of this petition is that I believe that the whole question of professional qualifications falls outside of the larger issue that of denominational education in the province. What this petition has to do with is the certifying of teachers as being professionally qualified to teach school. Whether it be here in Newfoundland or whether it be in Timbuktu or Toronto or Istanbul, it makes no difference: professional qualifications. Mr. Speaker, I would further submit that in no other profession do we see the spectacle where either people have to give their religious denomination or have to state that they want to teach within a certain religious body or that their actions may be construed as being hostile to religion or religion as taught in schools. The point I am trying to make, Sir, is that if you are applying to become a plumber or a doctor or a millwright or a lawyer or a member of this honourable House of Assembly, nobody questions, nobody would be presumptuous enough to state whether anyone here is hostile to religion or is properly qualified in a religious sense or whether the person is a Deist or an Atheist or an

Agnostic or a full-fledged plus Christian or Hindu or what not. The whole idea of mixing religion into professional qualifications is and if not is should be anathema to this honourable House of Assembly and the government and the system of education which we do have.

Now when it comes to hiring teachers, Mr. Speaker, I would submit different considerations arise. We do have a denominational system of education in this province where boards of education are directly responsible not to the people, not to the government, not to the House of Assembly but to their respective denominations. When it comes to hiring a teacher, if certain restrictions on the hiring of teachers do not fall within prohibitions under various bills of rights and what not, then I would submit that boards of education have the right to hire or not hire whoever they see fit, even on the grounds that somebody has green eyes and red hair. An employer can see fit, I suppose, to employ or not employ a teacher or anybody else for that matter on any grounds whatsoever as long as it is not complete and outright prejudice.

The point, Sir, that I was trying to make, that the professional qualifications are one matter and that is the point and issue under this petition, the hiring of teachers is another matter. As far as the hiring of teachers is concerned, this young lady who is only an example of the broader principle and I have no axe to grind for this young lady but I do have an axe to grind for the principle involved, she or anybody else can get professionally qualified here and teach anywhere else in this country of Canada or anywhere in the world for that matter. Now if she is not qualified or given the qualifications to teach here, how is she ever going to teach in a place like Ontario or Alberta or anywhere else in the Country of Canada? How is she ever going to get professional certification today? Now that is the basic,

I think. distinction that should be made, that this discrimination should not be made in respect of people who are applying to have their professional qualifications certified.

Now I would submit, Sir, by going a little further, that perhaps what should be set up with respect to professional qualifications is a board not unlike boards which we had in respect of doctors, and lawyers and other professional people and other trades people for that matter and that there be a right of appeal from the decisions laid down by that board so that the real reasons why a person is qualified or disqualified can come to the light of day and reasonable men can have a public opportunity to see whether the reasons for disqualifying are in fact valid reasons or not.

Sir, although the honourable minister has stated that there would appear to be no need for an appeal in this particular case, I would submit, Sir, that on the basis of his own remarks and the remarks of the DEC's, in a full page or nearly full advertisement some time ago, with regard to certain hostility shown by the young lady in question, that this is a case where an appeal board is needed par excellence because here we have had hearsay evidence presented for public consumption about certain activities of a person that happens to be this particular girl in this particular instance. But surely in this kind of a case an appeal board is necessary to see whether there were some problem which does in a professional way disqualify this young lady or someone in her particular case from teaching in schools. It may not be a question of religion whatsoever. It may be a question of attitudes which professional people may consider to be not the type of attitude which should be in a classroom with young children. Maybe that is the - I am not saying that is the case in respect of this young lady but I can see cases like that. But nobody in this province and no minister in the province should be

able to come out and say that hostility was shown without those statements being subjected to further scrutiny by the peers at least of the person whose actions or conduct has been impugned. This is the whole idea of an appeal board surely, Mr. Speaker.

I have the greatest pleasure, Sir, having made those few disjointed and incoherent remarks, I have the greatest pleasure in supporting the principle of the petition tabled in the House by my honourable friend for St. Barbe North.

HON. T.A. HICKMAN (Minister of Justice):Mr. Speaker, may I rise in support of this petition. I realize that the government's position has been put by the honourable the Minister of Education in supporting the petition. I believe this petition goes a lot deeper than simply the right of certification of teachers. I recall very well when the acts when through here, the schools act, the particular act in question and the other complimentary acts and to me and I was part of the administration, but I do not fault the administration on this at all because it was a rather sickening experience. When we were in the committee on this, there were amendments suggested and I, this would be subject to Hansard, but I would be willing to bet that there was an amendment suggested by either the then member for Humber East, Mr. Wells, or the honourable the Minister of Finance, who at that time was sitting as a backbencher on this side of the House, that there should be a fundamental right of appeal, as has been so often mentioned here, from a decision of the licensing body, to the Supreme Court.

When I say sickening, time and time again as amendments were suggested, there were a lot suggested on the then government side of the House and on the opposition and the reply always was that we have to consult with the churches, and there would be a consultation and then the committee would be advised that this amendment could

not go through. Now this does not go to the question of denominational education at all. What it does do I suggest is this, it may be in our anxiety to and this certainly transcends both political parties in this House- that maybe in our anxiety to protect the constitutional rights of religious denominations as they apply to education that we have gone a step further and by implication or by tolerance granted rights that are not there and have nothing whatsoever to do with the British North America Act or any amendments included therein with respect to education in this province. I believe, I firmly believe that in the final analysis the regulations governing the quality of education in this province and the quality of those who teach in this province and their qualifications vests here with the House of Assembly.

I am beginning to get somewhat concerned that in the interpretation of the legislation that was passed about three years ago, which was designed to implement the report of the Warren Commission, that in the implementation of that legislation or in the interpretation of it that the acts are not being followed the way they should, and it is primarily a matter of interpretation. My understanding is that the Denominational Education Council are there to protect the rights of their various religious bodies, under the amendments to the British North American Act, and also to advise on matters religious, matters involving religion, the teaching of religion within the schools. I suggest that it does not give the DEC the right to decide on the type of school buildings and school structures and location of schools and the programme for general education and general instruction in this province. It certainly does not give them the right of veto that the old council of education, which was comprised of the superintendents, had. This was the very thing that this legislature unanimously buried or thought we buried three years ago. I am somewhat concerned.

Mr. Speaker, that there may be an attempt to resurrect some of these powers that were not there and that should not be there. I am sure that all members of this House are very encouraged with the reaction, the public reaction that came from the statement made in this House a few days ago by the honourable Premier, that there is going to be a fairly searching enquiry and reappraisal of the relationship of the state versus the churches in the field of education.

In the last analysis, Mr. Speaker, may I repeat, the responsibility rests in this House and with no one else and this is not in any violation of constitutional rights at all. The other principle in that petition, as I mentioned earlier, is that when licensing bodies or any groups have authority in matters such as this, in my opinion there should be a fundamental right of appeal to the Supreme Court of Newfoundland. Now this may not be practical in the first instance because a person in the position of Miss Norman may not be able to await the tortuous procedures of the law in order to go to the Supreme Court, but it is a great weapon to hold over administrative boards.

AN HON. MEMBER: It acts like a policeman.

MR. HICKMAN: That is right. It acts like a policeman, Mr. Speaker. Also, even if there is an appeal to another administrative board, there should also, in my opinion, be a right of appeal to the Supreme Court of Newfoundland. One of the best examples, and I say this in closing, was an amendment that went through this House in 1966 or 1967 which granted the right, in matters of law and mixed fact in law, of appeal to the Supreme Court of Newfoundland from a decision of the Workman's Compensation Board. This was supposed to be a very revolutionary step and there was some head-shaking over it because it went against one of the fundamental rules that brought about the establishment of the Workman's Compensation Boards generally in the Commonwealth.

Well, Mr. Speaker, I think it is significant that there has only been one appeal from that board in the last four years and to me it has had a salutary effect on making boards very conscious of their obligations and very careful in the interpretation of the legislation under which they operate. As I say, I am very pleased that the government's position has been put so clearly by the honourable the Minister of Education in supporting this petition.

MR. NEARY: Mr. Speaker, I would like to support the petition and in so doing, Sir, I would like to say that I am somewhat amused at the support that is coming from the government benches for this petition.

I think members are being a little bit hypocritical, Sir. They are either for or against an amendment to the legislation to provide the right of appeal. If the Minister of Justice, Sir, means what he says, then why not go down to the legal draftsman, have the proper amendment drafted and brought into the House before we close, the end of this week or the end of this month, whenever we close, and let us amend the legislation. The honourable the minister has it right in his own hands. The honourable minister is sitting right across. I can see him there now.

AN HON. MEMBER: He has gone on holidays. the legal draftsman.

MR. NEARY: The legal draftsman. Well we have about five lawyers here in the House, Sir, who can draft legislation. As a matter of fact, Sir, if the lawyers cannot do it, I will do it for them if they want me to. Bring it in tomorrow. Bring in the amendment into the House tomorrow. Let us amend the legislation and provide Miss Norman with the right to appeal. Why not do it? Why get up and talk about it? Why be hypocritical about it? Mr. Speaker, I was a little bit dismayed at what the Minister of Education had to say. He said Miss Norman would have to indicate where she is going to be employed, what board is going to hire her.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Well, I got the impression that is what the minister said. Mr. Speaker. Perhaps he can clarify it because I do not think it makes any difference. She could go down and work for the Minister of Social Services, down in the Girls' Training Home as a teacher, if she wanted to, or in the trade school or out in a private school or over in Whitbourne, in the Boys' Training Home. Sir. That is not the issue at all. I think, if the Minister of Education would clarify that because that is the impression he left with me and I paid very strict attention to what the minister had to say. So, Sir, I support the petition.

I notice in the House today, Sir, another victory has been struck for women's lib.

I would say, Sir, that there would be no trouble to get members to stay up nineteen, to stay in the House all night with that kind of system that we have now. Page girls, Sir, I am sure the honourable Premier, you would not be able to get him out of his seat. He would not even go on a fishing expedition, no more fishing expeditions down on the Gander, stay in the House. The honourable Premier was not here, he missed out. A beautiful young lady came into the House, the page boys all found jobs for the summer. Now we have a page girl, another victory for women's lib. I hope that Miss Norman can win a victory too, Sir.

HON. T.P. HICKEY (Minister of Social Services and Rehabilitation):

Mr. Speaker, I beg leave to present a petition on behalf of some one hundred and fifty voters of the community of Torbay. The prayer of the petition is that the road known as Convent Lane be upgraded and widened or that the work on it be continued, I should say. If possible, Sir, that the road be paved.

Work commenced on it last October and as it applied to many other roads after the election had ceased. As a result of this construction which took place last fall, the road has been impassable on many occasions during the past spring. I would urge my colleague to see if he can find some money to continue this work, at least to complete the widening and upgrading of it. I ask that the House accept this petition.

MR. NEARY: Mr. Speaker, on behalf of my wonderful friends in the Torbay area, my great supporters and friends, it gives me a great deal of pleasure to support the petition presented by the honourable member for St. John's East Extern.

MR. YOUNG: Mr. Speaker, I beg leave of this honourable House to present a petition on behalf of a number of residents in the Town of

Harbour Grace. The prayer of the petition, Sir, is we, the concerned people, demand that something be done in regard to pollution in Harbour Grace, especially the broiler house on Carbonear Road and any other and all pollution.

In support of this petition, Sir, I would like to point out that neither I nor those people who signed the petition want to injure these people concerned or the industries.

I was speaking with the manager of Ocean Harvesters over the weekend and he informed me that this meal plant, as of yesterday, was employing twenty-four people. Now they also have pollution equipment on order, which would take about sixteen weeks before it could be installed. I know, Sir, the town council and the officials of the Department of Health have been working at it for some time and now the residents of the town, through this honourable House, ask the officials of the Clean Air, Water and Soil to visit the area.

This is a serious problem, Sir, in the town. I trust something will be done and the people can begin to enjoy the comforts of their home. I am quite sure, Sir, that the member for Bell Island will support this petition, as he always does. I am sure, Sir, that anything with a fishy smell, he is right there behind it.

MR. WILSON: Mr. Chairman, I would like to support this petition from the member for Harbour Grace because I am from a polluted area as well and therefore I have to go along with him. I likewise am in the same position, I do not want to put anyone out of employment but right in South River, in Clarke's Beach, at this particular time we only ask to have people to come there and even find out how bad it is. We have pollution on one end. I have said before in this honourable House, that it is running down from Roache's Line, down in a salmon river, that there is no more salmon in that river now. We also have a hennery in Salmon Cove that we say belongs to Mr. George Chalk. He has been pulled over the coals pretty often about pollution.

It is not his fault. He has done everything in the world that can be done to offset it, but the Fishery Authority or something do not give him permission to open up the dead water in the pond where the manure is going. Therefore, in the summer months when the water dries off it, you have nothing only a cesspool and therefore, right where I live, a lot of people in the area just have to open their door and it is the same as years ago, you would not know but you were opening it up and taking a dump in.

Now this is a sad situation, I said before on the floor of this House, I have to get up 4:00 o'clock every morning myself and take a pan and pan probably three or four horse loads of kelp that is running under my building and get it out of the way and use sometimes my construction pump to pump in salt water to clear it. I know something can be done about it. We need employment in this province. Do not think for one moment that I will stand in this honourable House against anyone making a living. But I stand in this honourable House to back any man or any person or persons to try to make an environment fit for human beings to live in. I think at the present time in South River and Clarke's Beach, if we hold on that we will have to have a resettlement or something or other. So I gladly support this petition. Thank you.

DR. ROWE: I likewise support the petition presented by the honourable member for Harbour Grace. I would like to draw the attention of the honourable House to the fact that there are certain areas in the province where similar situations arise with regard to public nuisance created by odours resulting from hennery establishments and fish plants and like industries.

There is no doubt that the individuals who live in the immediate area of such establishments have rights which have to be respected and in this regard I have had discussions with the Director of the Environmental Health Division. Whilst he must ensure that the

right of a person to conduct a business is respected, he must also respect the rights of individual citizens.

In the past two days I have received delegations from South River, communications from the Town Council in Carbonear and now the petition from the people of Harbour Grace, so there are indeed many areas where similar problems exist. Whether the process of dumping the offal, the manure on select sites away from settlements is the answer or whether some chemical process of deodorizing should be used, we must take some specific action.

It would appear that the problem has mainly arisen because of the fact that permits have been given to individuals to establish businesses without full regard to the possible consequences. At this time of the year, with the hot weather and the possibility of numerous flies and fly-borne disease, it is ever more important that we undertake some action to clean up the areas where these problems are evident.

The whole problem of pollution at this time is a very current one and we must take a very serious view of the situations as presented in the petition. Certainly town councils should not give permits for further types of these businesses unless they are located within at least one mile from any house in any settlement. I think we have to co-operate very closely with the Clean Air, Water and Soil Division. In any case they do represent public hazards and nuisances and on behalf of the Department of Health, I would ensure that we would do our best to endeavour to solve in some way the immediate problems.

MR. NEARY: Mr. Speaker, I can think of no member more qualified in this honourable House to bring in a petition on manure than the honourable member for Harbour Grace. But nevertheless, Sir, I am happy to support the petition. I know now, Sir, where I can get the manure to grow mushrooms on Bell Island. I am happy to support the petition. I do not know if the Minister of Health indicated to the House that he would take a look at the situation. I am happy to hear

that, Sir, so that the people in the area can get rid of the flies and the odour in that particular part of Conception Bay. I am sure it must be an awful nuisance. I hope that the Minister of Health or the Minister of Municipal Affairs will put it high on his list of priorities.

NOTICE OF MOTION:

MR. HICKMAN: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill entitled, A Bill, "An Act Further To Amend The Workmen's Compensation Act, 1962," it will appear on the Order Paper as amendment no. 2, 1972.

On behalf of the honourable the Minister of Municipal Affairs and Housing, "An Act Further To Amend The St. John's Housing Corporation Act."

HON. J. C. CROSBIE: (Minister of Finance): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill, entitled, a Bill, "An Act Further To Amend The Newfoundland and Labrador Corporation Limited Act, 1964."

NOTICES OF QUESTIONS AND ANSWERS TO QUESTIONS:

HON. F. D. MOORES (Premier): Mr. Speaker, answer to question number 108, this has been tabled in the House during the estimates, but it is brief so I will give the answers now.

The answer to number 1 is yes, number 2(a) Chief Executive Assistant, number 2(b) May 1, 1972, 2(c) \$28,000 per year, 2(b) yes per one year, renewable at the pleasure of the Executive Council, number 2(e) 303-01.

Answer to question no. 120. Number 1 is no, number 2 is not applicable.

Answer to question no. 129. To the best of my knowledge now, and this will be checked further, Mr. Speaker, if there is anything that comes from it, it will be tabled, but the "no" means that number (2) of that same question is not applicable. I will table these.

HON. R.L. CHEESEMAN (Minister of Fisheries): Mr. Speaker, I would like to table the answers to questions nos. 123, 124 and 125 - June 27.

HON. DR. A. T. ROWE (Minister of Health): Mr. Speaker, I would like to table the answer to question number 23, Order Paper, May 30.

HON. DR. T. C. FARRELL (Minister of Highways): Mr. Speaker, I would like to table the answers to question number 33, number 71 and number 63.

ORDERS OF THE DAY:

MR. ROWE (F.W.): I was listening to the Minister of Education, listening to the comments he made in support of the petition that I presented earlier this afternoon.

The impression that I got was that a teacher now has to indicate the board that she plans to teach with, for purposes of certification. I was wondering if the minister could clarify that, Sir.

MR. CARTER: Mr. Speaker, it is my understanding that in order for a teacher to be certified, he or she is either certified under the Roman Catholic Denominational Education Committee, the Integrated or the Pentecostal.

Now as this is the certification set-up as it exists at the moment, a person has to indicate which particular denominational board he or she wishes to be certified under. It is a routine matter. It is merely a matter of choosing which door to enter. It is not that any particular door is barred to anyone but it is just that there are three doors and one of the doors, you have to go through one of them.

It is a mechanical distinction only, a logistical distinction, if you like. It has nothing to do with discrimination, whatsoever. But a person in order to be processed, if you wish, has to indicate which particular denominational committee he or she wishes to work with. That is what I meant by that statement.

MR. ROWE: Can I add something, Mr. Speaker, to that question. What is the situation if a prospective teacher does not want to teach with any

of the denominational education boards in the province ? What is the situation if he or she wishes to go to the Mainland to teach for example or teach at a trade school, in an upgrading course ?

MR. CARTER: I can certainly look further into that. But my understanding at the moment is that this is merely a certification, under any one of these particular groups, to enable a person to teach all over Newfoundland, in any school, or any school board may hire them.

But I can certainly check further into this, I think the honourable member's question, as I understand it, is that a person who has no intention of teach under any particular school board but wishes to teach, say at the trade school, night school or something like that, it is my understanding that

one of these three doors still has to be gone through. I will check further and give him a complete explanation.

MR. NEARY: Mr. Speaker, I would like to direct a question to the honourable Premier. I would like to ask the Premier if the government have appointed the judicial enquiry to investigate the charges of corruption made against me as member of the House of Assembly for Bell Island, by the Minister of Social Services and Rehabilitation? If not, could the Premier indicate when the appointment will be made?

MR. MOORES: Mr. Speaker, there is no command enquiry to investigate the charges of corruption against the honourable member for Bell Island. The enquiry, as I understand it, will be appointed to investigate the matters of possible corruption within the department on Bell Island. Either way, Mr. Speaker, the committee has not been appointed yet and an announcement will be made in due course.

MR. HICKEY: Mr. Speaker, on a Point of Privilege; Let me just put on the record for about the fiftieth time that I made no charges of personal corruption against the honourable member for Bell Island. Is he not tired of beating the thing? Does he want to beat it some more?

MR. ROBERTS: What the honourable gentleman said is a matter of record.

MR. HICKEY: If the Leader of the Opposition or anybody else wishes to debate this item, all they have to do is bring in a motion. I can assure them that I am prepared to debate it from now until kingdom come.

MR. NEARY: We have Hansard.

MR. SPEAKER: We have debated this somewhat. I am not cutting off debate on it but I do not think we should get into a prolonged debate on the thing again. The Chair does recognize the honourable House Leader for the Opposition.

MR. W.N. ROWE: I would like to direct a question to the Minister of Economic Development. I understand that the workers are not back to

work with Procon on the Come by Chance refinery project. Does the honourable minister know now whether the government will have to stand any loss under the force majeure clause of the construction contract? If so, does he have any idea how much it is likely to cost the public treasury?

MR. CROSBIE: No, we have no claim for any alleged loss yet, Mr. Speaker. I believe that due to the short duration of the shutdown, there would unlikely be any.

MR. WOODWARD: I would like to direct a question to the honourable Minister of Economic Development. Is the honourable minister prepared to tell the House what is happening as far as the "Vancouver Forest" is concerned. Is she discharging wood in Stephenville or is she discharging outside the harbour limits? Will this in any way delay the shipping of wood from Goose Bay? Has the Department of Transport had a dredge into the harbour at Stephenville yet?

MR. CROSBIE: Mr. Speaker, this is rather a complicated matter. I will give the honourable member a partial report today. The position is that the vessel "Vancouver Forest" has not gotten into the harbour at Stephenville as yet. Whether she is going to get in there at the present time or not, I do not know. The dredge that was supposed to proceed to Stephenville Harbour and be there on June 19, as we were informed by the Department of Transport, did not arrive, although we were told every day that she was enroute. On Friday, June 30, we were informed that this dredge, which was supposed to have been enroute, had now blown her generator, in New Brunswick, and therefore could not proceed to Stephenville. Attempts are now being made to find another dredge to do the necessary work.

There was an attempt made, yesterday I believe, to move the "Vancouver Forest" into Stephenville Harbour, but it had to be abandoned. There may be another attempt made today. We are having some problem there with pilots also, as to whether they will or will not take her in. All this is being gone into with the Department of Transport today.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Yes, Mr. Speaker, there is plenty - let me just make this very clear, Mr. Speaker. The necessity for this dredging at Stephenville, to remove the dog leg from this channel and to widen the channel, has been known to the Department of Transport, to put it at the very least, since last fall. They have known about it since April of this year. We delivered them a letter on it early in May of this year pointing out what dredging is necessary at Stephenville and Goose Bay. We were told that the dredge would be at Stephenville on June 19. It will take some three or four days to dredge this dog leg out of the channel, to widen the channel. We were told, every day since June 19, that the dredge was on its way. We were told, on June 30, that the dredge, which was supposed to leave New Brunswick that day, had now blown its generator and therefore could not proceed to Stephenville.

There has been plenty of planning done in connection with this but there is a lack of execution on behalf of someone in the Federal Government. We are taking over a situation left to us by the honourable gentlemen and doing our best with it. Mr. Speaker, that is the position on it. I have been in touch with the Department of Transport twice today and we are hoping to have some progress. If the worse comes to the worse, this vessel will have to discharge its logs or its cargo in St. George's Bay, and they will have to be boomed into Stephenville Harbour from there.

MR. WOODWARD: A supplementary question, Mr. Speaker. Will the honourable minister tell us if the other ships, I understand there are two other ships supposed to go on charter, will they go to Goose Bay to load under those conditions?

MR. CROSBIE: One is approaching Goose Bay.

MR. WOODWARD: One is approaching Goose Bay?

MR. WINSOR: Mr. Speaker, maybe I can ask a supplementary question.

How are the ships chartered? Are they chartered by the day or by the ton? If so, there must be a demurage involved that will -

MR. CROSBIE: They are time chartered.

MR. WINSOR: They are time chartered, so therefore they are-

MR. CROSBIE: Daily charter.

MR. WINSOR: Daily charter.

MR. CROSBIE: They are chartered for a period of months at a daily hire.

MR. WINSOR: I was thinking that if the ship were chartered by the ton or by the cord, then there must be a demurage charge somewhere - by the delay caused by not getting in to discharge -

MR. CROSBIE: Every day that there is any delay in this, it is costing us money, I can assure you that.

AN HON. MEMBER: About five thousand dollars, I would say.

MR. CROSBIE: Right, about that.

MR. ROBERTS: Mr. Speaker, if I may ask a question of the honourable Minister of Highways. I assure you I gave him notice but I do not know if he has been able to get the answer. I have had, in my role as the quasi-ombudsman for either Burin District or Placentia West, representation from Fox Cove. I am not sure which constituency it is in.

AN HON. MEMBER: It is in Placentia West.

MR. ROBERTS: It is in Placentia West. People there would like to know if the road in their community is going to be paved. Roads are being paved in the nearby communities of Mortier and Port au Bras and Red Harbour. That, of course, is what leads to their question.

DR. FARRELL: Mr. Speaker, in answer to the honourable member for White Bay North, I would like to beg permission to table this question. I will be glad to bring the information forward when I get the relevant information.

MR. F. FOWE: Mr. Speaker, I would like to direct a question to the honourable Minister of Finance. I was wondering if the minister has

had an opportunity to find out how many of the graduate students at the university who would normally be recommended for a fellowship has in fact been denied a fellowship for this coming year?

MR. CROSBIE: Mr. Speaker, I am very glad the honourable gentleman asked that question. As a matter of fact, the Minister of Education and myself and his officials have had a look into that question, I think it will be found that everyone who needs a fellowship - there will not be any undue hardship at all in connection with people who need fellowships at Memorial this year.

MR. F. ROWE: Another question, Mr. Speaker. Have the qualifications changed or have the standards been changed at all for purposes of receiving a fellowship?

MR. CROSBIE: Not that I know of. I am not saying that the fifty-six or whatever it is are all going to get fellowships, but anyone who needs -

MR. F. ROWE: What I have to say - relevant question - so there are still people.

ORDERS OF THE DAY:

Budget Debate:

MR. SPEAKER: The Chair recognizes the honourable member for White Bay South.

MR. W.N. ROWE: Mr. Speaker, the resumed Budget Debate: Let me say at the outset, Sir, that in spite of the fact that over the last couple of weeks I labouriously gathered some very important notes, which I had hoped to deliver myself of in this debate, that subsequently the honourable House Leader and I had a very amicable discussion on this whole matter. We have agreed, Sir, and my colleagues agree, (and I would presume that his colleagues agree) that many of the questions that would ordinarily arise in a Budget Speech debate have been dealt with in a more or less satisfactory fashion. Less satisfactory to us, probably more satisfactory to the government, but they have been dealt with during the course of the estimates being piloted through

the House of Assembly in committee stage. Therefore, Sir, we have agreed that we should perhaps curtail further debate on the Budget Speech. The main reason for this -

AN HON. MEMBER: (Inaudible)

MR. ROWE: Do you want to speak? You may if you wish. The main reason for this, Sir, being that members are anxious now to get out to their districts and see their constituents and travel around the countryside. Ministers of the government are anxious as well to get to the work of administering the province, the public needs of the province. Therefore, we have decided that we will not have any prolonged debate on the Budget Speech.

Also, Sir, the Premier, who originally announced that he would be speaking on the Budget Speech, has now decided to demur and decided not to speak during this particular debate. Of course if he had spoken, that would have led to some speech-making on this side of the House as well. Since he is not going to speak, apparently, in this debate, (that is of course part of the agreement) we do not see any need over here, at the moment, of rehashing and going into many of the things that we have already discussed on the estimates.

The Minister of Finance who commenced the debate by bringing down the Budget, has agreed that he will this afternoon clue up this debate now and part of our tacit or informal agreement is that he shall do so in a perfunctory manner, he will not get involved in acrimonious debate of the kind that would ordinarily need to be answered by the Opposition Party. He will more or less perfunctorily clue up this debate. Hopefully, we will then be in a position, when that debate is clued up this afternoon, to launch into the legislation which remains before the House. None of it is very lengthy. We can launch into that legislation and maybe in a couple of days we can clue up this session.

Of course, we are also willing over here, as well, to give up private members' day, (that is if there is unanimous consent of the

House) to facilitate the debate on the legislation which is before the House. If this were earlier in the year, Sir, we would not of course make this concession, because there would be no need to. We are anxious to get out and see our constituents. Also, the government has announced an intention of calling the House together in the fall, late in the fall or very early in the New Year, when they will have an opportunity to lay before the House their programme for the coming year, at least, and perhaps for the succeeding three or four years.

We are quite willing now, (having said what we have to say on the estimates, and having heard the government's say on the estimates) to allow the matter to rest for the time being and go at it again when the fall session is called on the various items of legislation. Of course, next year when the budget is brought down, the new government will then have a record of commission or omission as the case might be. It will have a record of conduct and activities which the Opposition can then get into in a better fashion. So far during this session, we have merely been talking mainly about sins or misdemeanors of the past, as seen by the government. This Opposition has not had very much opportunity to get its teeth into actual activities or actions taken by the present administration. Next year we will have an opportunity to do that and we should have a full and complete debate, not only on the estimates but on the budget as well.

On those conditions, Sir, the condition that the Premier does not speak and on the condition that the Minister of Finance will now deliver himself of a clue-up type of speech, a perfunctory, non-acrimonious speech on cluing up the Budget Debate, we will all resume our seats and listen to him with a great deal of alacrity.

MR. CROSBIE: Mr. Speaker, these are very tough and stringent requirements. First: To be perfunctory, when I listened to the honourable Leader of the Opposition and one or two of the other speeches opposite, but it seems now that those speeches took place many months

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ago, I was in a little bit of a furor and thought I might have a go at the arguments advanced when I got my turn. But as I say, it is so many weeks and weeks and weeks, and words and words and words and weary hours of yak ago that

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Mr. Crosbie.

I have not now the strength nor the enterprise to launch into a vigorous rebuttal of what we have heard. Mr. Speaker, we had four weeks of debate on the estimates and I think that most things have been covered. I just want to say, on behalf of the government, that this Budget Speech has presented the facts to the people of Newfoundland, for the first time in many years, as to what our financial position is. Anyone who wants to know what the facts are, what Newfoundland's financial position is, what are our options, what are our alternatives, will find it in this Budget Speech. It is a pretty sad story because, Mr. Speaker, we are at the stage in our financial affairs when it is quite obvious that the problem is; are we going to be able to find sufficient monies to carry on the services that we have? That is the problem - much less expand and cover new services. We have set that all out in the Budget Speech, Mr. Speaker. We have shown how we intend to try to overcome the problems that were left to us, with a view to what the budget states will be carried out. The four-year financial plan has been commended. All departments of government, all agencies, all commissions have been written. They have been told what information we want to prepare a four-year plan on the capital side of government, with its implication on current account. They are to have the information to us this month, as far as they can, showing what each department feels it needs on capital account for new buildings, extensions and so on, for the next four years, the university and all the other groups concerned. We will receive all that information this summer. It will be analysed and the administration will make a decision this year as to what our four-year plan is going to be, what the priorities will be, what we can do for each of these departments or institutions and what we cannot do. We will tell Memorial University, i.e., what we believe we will be able to afford for Memorial University in capital account for the next four years and that they are just going to have to wait. We will

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have to give them a decision on what size they are going to grow to.

We are going to have to give them a guideline and not only Memorial, because I just use that for purposes of illustration, but every endeavour that is financed by means of the province, by the Government of Newfoundland. When that is done, Mr. Speaker, we will know where we are.

Let me just say this: I have stated this in the Budget Speech. "Request for expenditure not included in the estimates are not going to be looked on favourably." I know, as Minister of Finance, Mr. Speaker, that there will be some things, some emergencies that will crop up, matters which have not been covered and that there will be some additional expenditure not covered in the estimates, some supplementary supply, but it is going to be very limited if I can humanly do it Mr. Speaker. It will be very, very limited because this province cannot afford, Mr. Speaker, to continue having current account deficits. We had one for last year. We have one forecast for this year, some \$3 million, and we are now getting in a position where we are going to have larger and larger current account deficits unless strict action is taken. In addition to that we have on the capital side the largest expenditure I believe in our history. On the capital side we are going to be spending something like \$184 million. It is a huge amount, despite all the cries we have heard, and therefore, strict discipline has to be imposed. We have to see where we are going and where it is going to come from and what our future is.

Mr. Speaker, we cannot be disconcerted about what is going to happen this year or next year. We must be concerned about what is going to happen in the next four or five and in the decade after that, whether this province is viable or not, that is what we have to worry about. It does not matter what party is in power here in four or five years time, if we do not stick to and carry out what we have indicated in this budget, this province will turn out not to be viable in four or five or

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ten years time and that is an end which none of us desire.

So, Mr. Speaker, we will know next year if the government are carrying out the intentions as disclosed in the budget. I think you will find that it will be. I do not believe that next year is going to be any easier year than this year. I believe that it is going to take two or three years to get us in the position where we can really start to move forward rapidly. It is our intention to concentrate our priorities on trying to develop our revenue base, as far as we can, in the next two or three years.

MR. ROWE (W.N.): The year before the election now is important.

MR. CROSBIE: That is important, the year before the election is important. This year is important. Next year is important. We pay no attention to elections. The year after the election is important. That does not concern us, Mr. Speaker, because we know that we shall be returned. We know we are here for at least eight or ten years and after that we want to go. The honourable gentleman from Snails Island will be an ex-member after the next election. Now I am supposed to be perfunctory, Mr. Speaker. I do not want to make it different. I just want to conclude by saying that our emphasis and our priority must be on attempting to develop our revenue base here in Newfoundland so that we can get more money to carry on the services we have now, and we hope to improve them. This is what the budget indicates must be done. If we just carry on as was done in the last four or five years, on the same trail, the budget shows that in the next three years we would have a deficit of \$2.5 billion, that is if our borrowing continued at the same rate of increase. The facts and figures are all there.

So, Mr. Speaker, we do not intend to carry on that way. This is a statement of our financial intentions. Next year we will have our four-year plan worked out. The various departments of government and commissions and bodies will know what we think we can do for them in

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the next four years. We will have a plan and in that way we trust we can bring this province forward and deal with the tremendous problems that are revealed in the budget.

I, therefore, move, Mr. Speaker, that you leave the Chair and that we move into Committee of Ways and Means.

On motion that the House go into Committee of Ways and Means, Mr. Speaker left the Chair.

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

On motion report received and adopted.

On motion committee ordered to sit again presently by leave.

On motion that the House go into Committee of the Whole to consider certain Resolutions respecting the amendments of the Income Tax Act, 1961, Mr. Speaker left the Chair.

RESOLUTION:

"That it is expedient to bring in a measure further to amend the Income Tax Act, 1961, the act no. 1 of 1961, second session."

MR. CROSBIE: Mr. Speaker, I presume that we will debate this in principle now in the usual way on the Resolution. This is an act to amend the Income Tax Act, 1961. This is necessary because of the changes in the recently enacted Federal Income Tax Act and the various clauses in the act were drafted in the Department of Justice on the basis of data furnished by the Federal Department of Finance at Ottawa. It is for our legislation and we will conform to the new Income Tax changes.

Now the points of principle that are of any importance in this bill, Mr. Chairman, are that under the old Income Tax Legislation the rate for Newfoundland was thirty-three per cent. The personal income tax rate was thirty-three per cent of the basic tax, on your tax form, after the

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federal abatement of twenty-eight per cent. The Government of Canada allow a twenty-eight per cent rebatement for the provinces and our rate was thirty-three per cent. The rate of other provinces is higher. Some are the same. After the enactment of this legislation the personal Income Tax rate for Newfoundland will be thirty-six per cent of the new tax base. There will no longer be the concept of basic tax. Now thirty-six per cent on the new tax base will yield the same to Newfoundland as thirty-three per cent of the old basic tax used to yield. Therefore, the passage of these amendments will receive about the same amount of revenue as we got under thirty-three per cent of the basic tax. But now the rate will be thirty-six per cent of a new tax base. Under the new federal legislation and this legislation some lower income groups will pay less income tax, some middle income people will pay more. That is already familiar. The issue is being debated now (and in the House of Commons for several years and most certainly a year) to take advantage of the revenue guarantee of the Government of Canada, that is their guarantee that the province will receive, for the said next five years, the same revenue under the new tax system as under the old tax system. With respect to personal income tax and incorporate tax we had to agree to increase the rate to thirty-six per cent of the new base which Ottawa says will return us the same as thirty-three per cent of the old base. I just wish to point out that this was agreed to by the previous administration before they left office. We have seen no reason to change it and that is why it is now important to pass these amendments to the Income Tax Act.

On motion Resolution carried.

RESOLUTION: "That it is expedient to bring in a measure further to amend the Loan and Guarantee Act, 1957, act no. 70 of 1957 to provide for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans and grants to certain corporations."

MR. CROSBIE: I presume in the usual practice we will treat this as though it were second reading. This is legislation which comes before the House every year on loans and guarantees. Any guarantee of loans made during the previous years by the Executive Council of the Cabinet have to be approved by the House of Assembly, under the Loan and Guarantee Act, 1957. If honourable gentlemen will look at the bill which accompanies the resolution, they will see a list of the loans, most of which, of course, were loans that were guaranteed by the Liberal Administration prior to January 18, 1972. I will give some information on each loan as I have it here.

Clarenville Dock Yards and Ship Builders Limited,
\$30,500. That was a guarantee given by an Order-in-Council in the fall of 1971. There is an agreement dated November 9, 1971, between the province and Clarenville Dock Yards and Ship Builders Limited which stipulates the repayment of the loan by November 1981. This is a guaranteed bank loan.

That was to enable a new group to take over the shipyard at Clarendville and operate it. As far as I know, we have not had any indication of any difficulty with that.

The second loan, George Emberley, Emberley's Transport and Distributors, is a guarantee in the amount of \$20,000 which was approved by Order in Council October 27, 1971, just the day before the election. This is a guaranteed bank loan for five years so that Mr. Emberley could obtain two new trucks with cargo boxes. I believe the business is located in the Burin District. It is a departure from the usual, I believe, loan for this purpose but in any event the guarantee was given for \$20,000. Lakeside Homes Limited, the amount there is \$80,000. That is a guarantee dated November 4, 1971 and agreed on October 11. This is in connection with a bank loan to erect a home for senior citizens in Cander.

Now, Mr. Chairman, apparently the policy that the last administration adopted was that they would guarantee a loan for the down payment for the purposes of these old age homes and then would make a grant each year until the loan was paid off. That is the arrangement with this Lakeside Homes Limited loan at Cander. Newfoundland Co-operative Services \$20,000. That is a guarantee dated April 13, 1972. The loan will expire March 31, 1973. The guarantee was required because of the financial position Newfoundland Co-operative Services found itself in at that time. They were owed some \$17,000 by Newfoundland Farm Products and there would be some delay before they got that loan and therefore they needed some financial assistance by way of a guaranteed bank line of credit.

The fifth loan, Newfoundland Egg Marketing Board -
MR. ROWE (N.N.): Mr. Chairman, may I just rise for a point of order. It may not be a point of order but I would like some guidance on it. None of my colleagues has Bill No. 61. I do not know if any of the

other members on the other side of the House **have**. I just ran into a member of the press who said that it has not been distributed and I am wondering has that bill been distributed, Mr. Chairman. I would like to follow along with the honourable minister if I could.

MR. MARSHALL: What bill is that, Mr. Chairman?

MR. ROSE (U.N.): Bill No. 61.

MR. CROSBIE: The Loan and Guarantee Act. Yes, we will see to that in a moment but if in the meantime you will just make a note of the amounts as I am going over each one. If it is not distributed, would the clerk please see the bill is distributed.

The next loan is Newfoundland Egg Marketing Board, \$10,000 and the purpose of that loan was, it is a guarantee dated August 12, 1971 and expired February 28 and we have extended the loan for six months. The board needed funds when it started and it is now paying its own way but still needs, there is still a small balance left of that loan so it is still in effect. The sixth loan is Newfoundland Steel (1969) Limited, \$1,700,000. That is a guarantee which was originally \$1,400,000 dated November 22, 1971. The guarantee was increased to \$1,700,000 on March 15 to provide working funds for the steel mill at the Octagon Pond. The next loan, the guarantee is Ocean Vist Products (1970) Limited \$125,000. That is a guarantee dated August 31, 1971, for the period of one year for the purpose of establishing a fishing operation at St. Lunaire. This loan is not working out too well. They are in **default**, Mr. Speaker, and we are probably going to have to pay up for this guarantee. The honourable gentleman opposite would know about it. This is a subsidiary of NENCOR Limited. Anyway it did not do too well and we are going to be out our \$125,000 but we will take it all in good spirits.

MR. ROSE (U.N.): Would the honourable minister permit a question on that one, Mr. Chairman?

MR. CROSBIE: Yes, sure.

MR. ROBE(V.N.): I do not remember the exact details of it but would the honourable minister mention if the principals of that company had their personal guarantees on it. I think they did. If my memory serves me correctly they did, in which case two or three of those gentlemen are men of means and I would like to know if the government intends to go after the principals personally, if the government has to pay up.

MR. CROSBIE: I cannot be exact now as to whether there were personal guarantees. I think that there probably were. In any event the honourable gentleman can take it for granted that we will pursue whatever security we have and if there are personal guarantees we will pursue them. December 7, 1971 the Bank of Nova Scotia made a formal demand for repayment. We have not paid, so it may be that they are nursing it with the principals.

Pac-Atlantic Limited \$150,000. That was a guarantee given October 12, 1971. It is a guarantee of a bank loan to remain in effect until October 31, 1977, to assist in the proposed expansion of this operation at Stephenville. There seems to be a reasonable equity by the parent company and the loan is backed by a promissory note, signed by Marine International Corporation, should we be called upon to make good on the guarantee. The principal is to be repaid in accordance to sound business accounting principles and so on. The loan is not in arrears now and that is a guarantee, in any event, in connection with the herring operation in Stephenville. Then there is a loan, Mr. Chairman, Reid's Products Limited, \$315,000, a more complicated one. I do not have my file here now. That is a guarantee dated August 11, 1971, which was approved by the Cabinet July 26, 1971. The purpose of the loan is to assist in the construction of a multi-purpose fish processing plant at Boyd Arm, in the District of White

Bay North, of whom the principal is Pastor Booth Reid. The guarantee is still in effect and I do not have any late report on how successfully he is proceeding while the matter is being checked into.

MR. ROWE (W.N.): Some of that was interim financing until the DREE grant came in.

MR. CROSBIE: There was supposed to be a DREE grant come in and it is all quite complicated but we will be able to report to the House next year how it all turns out. It is being checked on at the moment anyway. The next loan is George Sexton Limited, \$70,000, September 28, 1971. Now there is a guarantee for \$50,000 September 28, 1971 and a second guarantee of \$20,000 March 15, 1972. The purpose of the loan is to provide operating credit for a sawmill and logging operation at Venenheck, Terra Nova. The company is establishing a sawmill and logging operation there and this is to assist them in providing logging capital for the operation, which is successful to date and which should continue to be quite successful.

The next loan is the West Coast Inter-faith Social Welfare Council \$186,000. The original guarantee was February 1971. I have a note here that it has been increased to \$206,000 and I do not know whether that is right or not but anyway we are only approving \$186,000. This is also to provide assistance towards the cost of construction of a senior citizens home in Corner Brook and that is proceeding now. As a matter of fact the previous government also committed the province to make yearly grants to the West Coast Inter-faith Social Welfare Council for ten years so that they could pay off the loan and in addition the government has to guarantee ninety-eight percent occupancy of the 102 beds. So really the government is completely responsible for the loan. The form on which it is done is a fiction. First we guarantee a loan which appears as a guaranteed loan, as though the borrower is going to pay it off and then the government agrees to make them ten years grants to pay off the loan. So it is not a loan at

all really, it is a grant.

I might say, Mr. Chairman, just in passing, we are not satisfied that this is necessary. Our feeling is that with respect to construction of homes for the aged or senior citizens in this province that a guarantee of ninety-eight percent of occupancy should be sufficient and that the people who get the guarantee should, with that guarantee of occupancy should be able to arrange the financing necessary. Unfortunately, the previous administration in three cases went further than that and gave a guarantee of the money that they required, the down payment.

MR. ROBERTS: Corner Brook, Gander and Grand Falls.

MR. CROSSIE: Corner Brook, Gander and Grand Falls.

MR. ROBERTS: (Inaudible).

MR. CROSSIE: Yes, but now we want, what I am saying is, I think the Minister of Social Services has already said it. We are going to change this and go back to what should be the policy and that is that a ninety-eight percent guarantee of occupancy is enough. I feel sure that we can find people who will build and operate old age homes on that basis.

The next loan, Terra Nova Shoes Limited, \$98,000. There are two guarantees, one for \$60,000, dated February 24, 1972, and the second for \$38,000, which was approved at the same time, to provide interim financing pending receipt of a DREE grant to assist in the establishment of a shoe plant in Harbour Grace. This was agreed to in principle by the previous government and we went on with the guarantee although not legally obliged to. I believe this business is operating over in Harbour Grace now and as far as I know it is going along all right. They are making safety shoes. I saw a comment in the paper there about a week ago, from someone at the university who is an expert in the field, saying that these were excellent shoes and he did not understand why you could not get them at more stores, I think it was in

St. John's. So it sounds in any event like they have a good product and that it is starting out all right.

Then there is Maritime Bedding & Upholstery Co. Limited, \$85,000. That was a guarantee given March 14, 1972. It was agreed to by the previous administration and we carried on with the guarantee because they had started the plant there. The guarantee is for the purpose of financing the manufacture of mattresses, box springs and low priced upholstery furniture in a plant at Stephenville. The loan is to be reduced to approximately \$50,000 upon receipt by the company of its DREE grant and thereafter to be paid off in monthly installments over a period of five years. As far as I know, the company is doing all right to date. Mr. Chairman, at least I have not had any report made to me otherwise.

Then the next loan is RKO Industries Limited, \$25,000. That is a guarantee dated March 15. It is a guaranteed bank loan and this was agreed to by the previous administration. It is to finance the setting up of a new division to produce fiber optics in RKO Industries Limited in Stephenville. The next loan, Marystown Shipyard Construction Limited \$1,700,000. That was a guarantee dated March 22, 1972. This is to provide a revolving guaranteed bank loan to make funds available for the operation of a shipyard at Marystown. Marystown Shipyard Construction Limited owns the shipyard down there. It has the assets. This is providing a bank loan for the operation of the operating company which is owned and controlled by the Israeli group, Marystown Shipping Limited. Anyway this is the operating credit for the shipyard down at Marystown.

Deer Lake Bus Company Limited, \$35,000, March 21, 1972. This was for the purpose of purchasing two new buses and there is a guaranteed bank loan. The next one is Madman Enterprises Limited, \$15,000. That was a cash loan approved by Order in Council October 26, 1971, two days

before the election and amended by Order in Council November 17, 1971. The purpose of the loan was to finance the purchase of fishing gear and associated equipment to supply commercial fishermen operating for that firm. Quite a tale hangs on these loans, Mr. Chairman. The loan was made to a company specially incorporated for the purpose because the principal, Wadman Brothers at Arnolds Cove, owed a considerable amount of SSA tax to the government and the loan could not be made to them because, under the Revenue and Audit Act, the amount of the loan would have to be put against the SSA tax owed. To get around that, they were permitted to incorporate another company and have a loan guaranteed for this other company, which is just a shell, while they continue to owe the large amount for SSA tax to the government. The principals are Mr. Kevin Wadman and Mr. John Wadman. Now as far as the SSA tax is concerned

MR. CROSBIE: The arrears have been vigorously pursued and should be well in hand and paid off by the end of the summer. In any event, this is what this loan is for. You could really go on about it but there is not much point. It is certainly improper the way it was done.

Finally, Mr. Chairman, the St. John Symphony Orchestra - \$10,000. This is an unusual one. Assistance in the form of a direct loan, dated December 22, 1971, for the period of one year. Interest is at the rate of $\$ 1/2$ per cent per annum. The last government agreed to give the St. John's Symphony Orchestra a loan, I have a note here from someone who says the loan was given the Orchestra - this \$10,000 given the Orchestra in the form of a loan is a cover up. There is obviously no way in which the Orchestra could make a profit such as this in a year. The sum was required to pay the services of a conductor.

AN HON. MEMBER: What do you mean cover up.

MR. CROSBIE: Cover up for the fact that they will never be able to pay it back. It is really a grant. This is what it is and not a loan, and the wrong way to do it because it appears obvious that the St. John's Symphony Orchestra will never be able to pay back the \$10,000 loan.

MR. ROWE (WM.): It should have been in the estimates of your department.

MR. CROSBIE: It should have been in the honourable gentleman's estimates as a grant, but the honourable gentleman opposite agreed in December to give these people a guaranteed loan instead of giving them a grant, which is only putting off the evil day, because we will probably have to make it a grant before the year is out and pay off the loan.

Perhaps it is the proper thing to do, to support the Symphony Orchestra with a grant. Now that is the lot. That is all the loans and guarantees at the moment, Mr. Chairman.

On motion, resolution carried.

A Bill, "An Act Further To Amend The Tobacco Tax Act," the Act number 81 of 1964.

MR. CROSBIE: Mr. Chairman; the legislation is in accordance with the tobacco tax indicated in the Budget Speech. In the Bill you will see section (2) gives a new rate of tax on cigarettes, cigars and so on, the different kinds of cigars or the different price of cigars, is to become in effect May 31, 1972. I do not think there is much more than can be said about it. The amount of revenue we should get from it was forecast. There is an estimate in here I believe, in the Budget.

The estimate is that this increase will give us approximately \$4 million in additional revenue.

On motion resolution carried.

MR. ROBERTS: Mr. Chairman, if we are to do The Local Authority Guarantee Act, let us do it. I think most of us know everything that is in it. This is work done last year.

A Bill, "An Act Further To Amend The Local Authority Guarantee Act," the Act number 71 of 1957.

MR. CROSBIE: Mr. Chairman, these are various guarantees given to municipalities last year for loans and most of them are water and sewer activities. Unfortunately the amounts shown in here for a lot of these jobs are not the total amount of the job. The government has had to approve increases in a great many of them.

I am just going from memory, we are up now to about \$42 million in municipal guarantees that we have to arrange long term financing for in the next several years, two to three years. This, of course, is why the Minister of Municipal Affairs points out to the municipalities that any new work that they commence now and that has not been guaranteed before is going to have to wait. We have a log jam of \$42 million when you include these guarantees and the

extensions that have had to be given a good few of them because, when the jobs were started, the Cabinet only approved guarantee and loans for about half the work. Those credits have been used up and now to finish the job you have to go on and guarantee the remainder. I believe nearly all of them are water and sewers or else they are water or sewers.

MR. ROBERTS: Mr. Chairman, as the minister says, indeed most of the amounts in this Bill, I would submit, are for work which was done last year and this year the Cabinet, as the minister has informed the committee, will be making further guarantees by Order-in-Council and then those will be taken to the banks and the banks on the strength of that will lend money to the various town councils and then a year from now we will have another amendment to The Loan And Guarantee Act and so it will be.

I do not know if there ever will be an end to this problem. On estimates the other night, the Minister of Municipal Affairs took a guess that we might need a couple of hundred million dollars yet. I have every sympathy for the position in which the Minister of Finance finds himself, that having to arrange long term financing for a sum which is of the order of \$40 millions, at the same time there are countless municipalities throughout the province which need municipal services and the only way they will get them is by this type of financing, by the government going on the back of the note at the bank.

I might add also that in most of these cases, not only do the government go on the back of a note, Mr. Chairman, but the government each year must make to the municipality an annual grant, by means of a subsidy. The purpose of that subsidy is to enable the municipal corporations to service the loans being guaranteed under the authority of this legislation.

I have every sympathy with the minister. I do not know if he is going to be able to find a way out of it, Mr. Chairman, because every person in Newfoundland or every municipal authority that has not got these services demands them and expects them as a right.

I say without hesitation, the previous administration was not able to satisfy the needs and I have no doubt and I say without any hesitation that the present administration will find that. I do not think that they will be able to satisfy the needs either. If there are any aspects of public services that are more important than this, I do not know what they are.

The other night we had some sport, it is very unsporting to have sport with the Minister of Community and Social Development, we were speaking about wells and he was going to develop criteria to enable him to determine priorities on drilling wells. I am glad it is finished. The minister himself might be finished, Mr. Chairman.

The point I am making is that it is almost impossible to develop any real criteria on these, because any person who has not got water and sewer needs them, in the world in the which we live, and feels that he should have them. So we will have no trouble in voting for the bill. Most of this is money which my colleague and I spent when we were the administration of the province. I am willing to bet the government will be back next year looking for more and we will support it then. Our only problem will be that they will not be able to spend enough because people need the money and need the services this money provides.

MR. CROSBIE: There are a few other words I want to say on this, Mr. Chairman. We will be back next year asking for further guarantees of loans in this connection because most of these loans here did not provide sufficient monies for the work to be concluded. In other words,

it was blindfolding the devil in the dark. A loan of say \$300,000 would be approved and in fact it is going to take \$600,000 or \$700,000 to finish the job. You cannot leave a water and sewer job half finished. That is not much good to you.

A lot of these loans we will have to extend the guarantees for additional amounts this year, but unfortunately last year also because it was allegedly or presumably the formula that government has for assisting in subsidizing the municipalities in their operation of the water and sewer systems was violated because there used to be a maximum amount of \$75,000 a year, which any one town of a certain size would have as a subsidy and they had to make up the rest themselves to meet the principal and interest and operating charges. That has been violated in two or three cases here. There has to be a new formula devised.

Frankly, Mr. Chairman, we are going to have to say to the municipalities that they have to make a bigger contribution themselves. In most of these communities they are only paying \$5 or \$6 a month per household for water and sewers. It is going to be necessary for them to up their share to \$7 or \$8 or \$10 or whatever they feel they can afford. In any event, these systems certainly cannot be allowed to stop and there will be a lot of water and sewer activity this year to finish these systems.

MR. ROBERTS; Mr. Chairman, I will say I am in agreement with the minister. Last year the government authorized amounts that would do a year's worth of work. The Orders-in-Council and the Cabinet papers will state clearly that this was one of a two or three year project and the present administration certainly have to carry these through.

I am interested in what he has to say about the formula. Sir, the minister has a certain pride of authorship in that formula. I do not know if he wrote it but I believe it was adopted while he was Minister of Municipal Affairs, in an earlier reincarnation.

It is too bad he was not here at the committee the other night, Mr. Chairman, it was while the minister was home getting rested, because we took a few minutes to ask the present Minister of Municipal Affairs about this, as Your Honour doubtless remembers, with vivid detail and the present minister fudged the question admirably, showing complete lack of understanding in my view.

I am not surprised to hear the subsidy formula has been violated. I will be interested to hear what the new formula is because there must be some rule of thumb. The one thing that is for certain, Mr. Chairman, whatever formula is adopted, is that it will cost the government money. Maybe there is a case for increasing the amounts paid by taxpayers and municipalities but even these increases, to increase by two or three dollars a month, Mr. Chairman, will not make much difference when it comes to servicing these loans. The amounts involved are so large, An amount of \$300,000 will cost \$30,000 a year in principal and interest plus a few dollars that are needed for the operational charges. The only way we are going to get out of this is with government funds. I wish the minister well, I suspect that he knows full well what lies ahead of him for this. Indeed, let me conclude by saying that if I remember correctly, the minister's first duty as Minister of Municipal Affairs in those far away days was to open officially the water and sewer system at Happy Valley and Labrador North.

I never found out quite how he opened it, As I recall he went down and with great ceremony, using all of his talents to open the water and sewer system.

MR. NEARY: He has had water problems ever since.

MR. ROBERTS: The honourable gentleman perhaps was flushed with success, That maybe the reason, Mr. Chairman, why the water system in Happy Valley has not worked satisfactorily from that day until this.

Indeed this leaves the minister with a problem that will take several thousand or several hundred thousand dollars to solve. However,

let us put the matter through, I do not know where the House Leaders are, Mr. Chairman, but they have cooked up something and if we are not careful we will give the Order Paper three readings here this afternoon.

On motion resolution, carried.

On motion that the committee rise, report having passed the resolution and ask leave to sit again, Mr. Speaker returned to the Chair.

MR BARRY: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed a Resolution, to amend the Income Tax 1961, the Act No.1 of 1961, Second Session; a Resolution, to amend the Loan and Guarantee Act, 1957, the Act No.70, 1970; A Resolution to Amend the Act, The Guarantee of the Repayment of the Bonds and Debentures Issued By And The Guarantee of the Repayment of Loans Made to Certain Local Authorities; and a Resolution, to Amend the Tobacco Tax Act, 1964, as amended; and recommend that bills be introduced to give effect to the same, and ask leave to sit again.

On motion report received and adopted, committee ordered sit again presently.

On motion Resolutions read a first and second time:

On motion a Bill, "An Act Further To Amend The Income Tax Act, 1961," read a first time, ordered read a second time, presently.

On motion a Bill, "An Act Further To Amend The Income Tax Act, 1961," read a second time, ordered referred to a Committee of the Whole House, presently by leave.

On motion a Bill, "An Act Further To Amend The Loan and Guarantee Act, 1957," read a first time, ordered read a second time, presently.

On motion a Bill, "An Act Further To Amend The Loan And Guarantee Act, 1957," read a second time, ordered referred to a Committee of the Whole House, presently.

On motion a Bill, "An Act Further To Amend The Local Authority Guarantee Act, 1957," read a first time, ordered read a second time, presently.

On motion a Bill, "An Act Further To Amend The Local Authority Guarantee Act, 1957," read a second time, ordered referred to a Committee of the Whole House presently.

On motion a Bill, "An Act Further To Amend The Tobacco Tax Act, 1964," read a first time, ordered read a second time, presently.

On motion a Bill, "An Act Further To Amend The Tobacco Tax Act, 1964," read a second time, ordered referred to a Committee of the Whole House presently.

MR. HICKMAN: Mr. Speaker, before we go in Committee on the four Bills, may I, with leave of the House, ask that resolutions (5) and (6) "The Law Society Act," and "The Mental Health Act," be read a first time.

On motion of the honourable Minister of Justice, a Bill, "An Act Further To Amend The Law Society Act," read a first time, ordered read a second time presently by leave.

On motion of the honourable Minister of Justice, a Bill, "An Act To Amend The Mental Health Act, 1971," read a first time, ordered read a second time, presently.

On motion that the House go into Committee of the Whole on sundry Bills, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE:

A Bill, "An Act Further To Amend The Income Tax Act, 1961."

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

A Bill, "An Act Further To Amend The Loan And Guarantee Act, 1957."

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

A Bill, "An Act Further To Amend The Local Authority Guarantee Act, 1957."

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

MR. HICKMAN: I would like to draw to the attention, I do not think this requires a motion, subject to the attention of the committee, that in the schedule, after, "the Town Council of Pasadena," the words, "of a Town of," were omitted and I think in one other place, the Town Council of Dunville and Botwood, the words "the Town of," have been omitted. I think the committee simply needs to note that, it does not need an amendment.

A Bill, "An Act Further To Amend The Tobacco Tax Amendment Act, 1964."

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

On motion that the committee rise and report having passed bill no. 52, 61, 63, 66 without amendment, and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. BARRY: Mr. Speaker, the committee of the whole have considered the matters to them referred and directed me to report having passed bill no. 52, 61, 63, 66 without amendment, and ask leave to sit again.

On motion report received and adopted.

On motion committee ordered to sit again presently.

On motion bills ordered read a third time presently.

On motion, a bill, "An Act Further To Amend The Income Tax Act, 1961," read a third time, ordered passed and title be as on the Order Paper.

On motion, a bill, "An Act Further To Amend The Loan And Guarantee Act, 1957," read a third time, ordered passed and title be as on the Order Paper.

On motion, a bill, "An Act Further To Amend The Local Authority Guarantee Act, 1957," read a third time, ordered passed and title be as on the Order Paper.

On motion, a bill, "An Act Further To Amend The Tobacco Tax Act, 1964," read a third time, ordered passed and title be as on the Order Paper.

Motion, second reading of a bill, "An Act Further To Amend The Insurance Premiums Act, 1968."

MR. CROSBIE: Mr. Speaker, I move second reading of the bill. The House might be interested in knowing that the Insurance Premiums Tax 1970-1971 brought in \$1,398,000 and in 1971-1972 it brought in \$1,000,637. These amendments are to apply the tax to insurance purchased by the government or by crown corporations of the government; to apply the tax to insurance purchased by the municipal or local government bodies which are now exempt;

Mr. Crosbie;

to apply the tax to marine insurance for pleasure or sport craft of twenty gross tons or less. Commercial fishing craft continue to be exempt. It does not matter what the tonnage is. The bill makes provision for penalties to be imposed by the deputy minister instead of the minister and to transfer certain routine administrative matters to the deputy minister from the minister. That is the purpose of the Bill.

MR. ROWE (W.N.): Mr. Speaker, twenty gross tons or less, pardon my ignorance but how big a boat or craft would that be? The "Oseola". How many tons is that?

MR. CROSBIE: That is about one hundred tons.

MR. ROWE (W.N.): That is right. That is what I figured.

MR. CROSBIE: It is about the size of the "Altuna".

MR. ROWE (W.N.): The "Altuna"? It could be the former occupant of it. Twenty tons or less, I mean what is the reason for taking twenty tons, Mr. Speaker, and applying that as the limit, so to speak, on sport or pleasure water craft? Would this have the affect of certain - I mean is it arbitrary or is it fair or equitable? I do not understand it, Mr. Speaker, I must admit quite frankly.

MR. CROSBIE: It is very arbitrary.

MR. ROWE (W.N.): Very arbitrary?

MR. CROSBIE: Right!

MR. ROWE (W.N.): The honourable minister must be contemplating buying a boat of twenty-one tons.

MR. CROSBIE: I cannot afford that.

MR. ROWE (W.N.): You cannot afford it? You see the tax is being applied, Mr. Speaker, in respect of sport or pleasure water craft of tonnage of twenty gross tons or less. A little boat owned by some poor fellow like myself or the hon. member for Bell Island has to pay a tax on any insurance premiums whereas when the hon. Minister of Finance buys his twenty-five ton yacht, he does not have to pay tax on his insurance premiums. Is that the situation?

MR. ROWE (W.N.):

If that is the situation then I submit, Sir, it is an inequitable bill - unless the honourable minister can explain it a little better than he did in introducing the bill. Also, Sir, while I am on my feet here I would also like some comment from the minister on the reason why there can be a remission of certain interest and penalties levelled or imposed under the act. Why should that be permitted? Again I do not understand the honourable minister's reasoning there. Maybe when he gets up to clue up the debate on the bill, scanty as the debate might be, he can give some indication of his thinking. The bill will also provide for a remission of certain interest and penalties levelled or imposed under the act. I would imagine that the minister (I read the bill some months ago) has the power under the bill to remit interest or penalties. Now that strikes me as being a ministerial prerogative which could be misused. I am not saying that the hon. Minister of Finance would because he is a very fair-minded administrator. I am sure he would not think of remitting any interests or penalties in respect of anybody in the province. Would it be better if it were the Lieutenant Governor-in-Council who did such remission? At least you would have collective minds looking at it. If a minister were a little bit on the generous or negligent side even, even if he did not read something submitted to him by his deputy minister, at least it would go to the cabinet. The cabinet can make sure that there is no prejudicial treatment or favourable treatment being shown. I would like to hear the honourable minister's comments on these two matters: Why the twenty ton maximum has been reached and why the minister has the power to remit interests or penalties under the act. I think it should be the Lieutenant Governor-in-Council.

MR. CROSBIE: Mr. Speaker, as far as the twenty ton bit is concerned, this is legislation that was left to me by the honourable gentleman opposite. I raise the same question. Now I do not know why the twenty tons have been

MR. CROSBIE.

taken as a figure but most sport or pleasure boats are under twenty tons. Anyone who has an older vessel must also claim that they use it for business purposes. They visit along the coast to see their agents and this that and the other. So that is probably why the twenty tons - I will assure the honourable gentleman that I will have a look at it and if there is any good reason why it should not be restricted at all, then we will bring in another amendment next year. But I did bring that up with the officials and they had some reason why the limit was twenty tons. Now the remission of interest and penalties - this is not the only act in which this is permitted. There is an appeal from the minister that, if he does not remit it or does not remit a penalty, there can be appeals. It should be noted also, of course, that it has to be reported to the auditor general, under subsection (2) of the relevant clause here. The Revenue and Audit Act requires any remission of interest or penalties to be reported. It is not a new precedent. It is the same thing as in the other legislation, the S.S.A. Tax and the rest of it and there is a right of appeal. I do not think that the time of the cabinet should be taken up with a lot of these things. Since the auditor general - it has to be reported to him if there is any hanky panky, and he should be able to see it.

MR. ROWE (W.N.): Mr. Speaker, this is not resuming the debate, Sir, I am asking the minister a question. If remission is allowed, i.e., on ministerial direction, is another party permitted to appeal that decision or is it just the person in respect of the person himself who will either have the interest or penalty remitted or not remitted as the case might be? I mean could I walk in and take an appeal from a ministerial decision to remit a penalty or interest in respect of some other person? Does the honourable minister know the answer to that?

MR. CROSBIE: No only the person aggrieved is the person who has the right to appeal. The political consequences are the responsibility of the minister.

On motion a bill, "An Act Further To Amend The Insurance Premiums Tax Act, 1968," read a second time, ordered referred to a committee of the whole House presently.

Motion, second reading of a bill, "An Act Further To Amend The Revenue And Audit Act."

MR. CROSBIE: Mr. Chairman, the purpose of these amendments to the Revenue and Audit Act are to deal with it if anything should happen in the loss or destruction of any bond or debenture. At present it is an inadequate provision. It will permit regulations to be made concerning the issue of security and so on and what should be done if they are damaged or defaced and secondly, to assess the salaries of the comptroller and the auditor general. These have been increased to \$27,210. As honourable members know, only the House can legally increase or decrease the salary of the comptroller and the auditor general. The decision was made I believe some time ago that these were the relevant increases in line with what was given to the Civil Service generally and, therefore, this bill carries that out. It will come into effect from April 1, 1971, with these salary changes.

On motion a bill, "An Act Further To Amend The Revenue and Audit Act," read a second time, ordered referred to a committee of the whole House presently.

Motion second reading of a bill, " An Act To Provide For The Exemption Of Atlas Construction Company, Limited From Taxes Imposed By The Social Security Assessment Act, 1963."

MR. CROSBIE: I move the second reading of this bill, Mr. Speaker. What happened here is that the House passed an act giving S.S.A. Tax exemption in connection with the construction of the ERCO Plant at Long Harbour. Atlas Construction Company, Limited constructed the wharf facilities there, for the federal government, and technically, by an interpretation of the agreement, they

Mr. Crosbie.

had to pay the S. S. A. Tax to the government, Atlas did on the wharf, although it was not intended that the S.S.A. Tax should be collected on the wharf facilities at Long Harbour. To make the position clear they requested that we get an exemption that would apply specifically to Atlas constructing the wharf. That seemed to be quite fair and just Mr. Speaker, as that is what was agreed to at the time. I think it was agreed to actually by the last administration. That is the purpose of the bill.

MR. ROWE (W.N.): How much would that involve?

MR. CROSBIE: I do not know. It would only be a few thousand.

On motion, a bill, "An Act To Provide For The Exemption Of Atlas Construction Company Limited From Tax Imposed By The Social Security Assessment Act, 1963," read a second time, ordered referred to a committee of the whole House presently.

Motion, second reading of a bill, "An Act Further To Amend The Constabulary (Pensions) Act, 1970.

MR. CROSSIE: Mr. Speaker, this is an amendment to permit employees of the police force, who were employees at the time the principal act came into force, to remain in employment until they have completed twenty-five years of pensionable service, notwithstanding their ages. As the members know, some members of the police force who are depending on their position have to retire at a certain age, which is quite early in the present state of society, at the age of fifty-five for example or at the age of fifty. With respect to some of these men who were in the force at the time the principal act was passed, they would not have completed twenty-five years of service when they reached this retirement age, which does not give them a chance to get a decent pension. So this would permit such employees to stay in for twenty-five years notwithstanding their age. That is the purpose of the amendment.

MR. ROSE (U.N.): Again, Sir, reading the explanatory note and just reading the bill itself, the position that I am about to give might not even be possible under the act. But if a person were fifty, for example, in 1967 or if a person were taken on at the age of forty-five for some reason or other, in 1967 -

AN HON. MEMBER: Twenty-eight is the age limit.

MR. ROSE (W.N.): Twenty-eight is the age limit whereby he could be employed, so that situation can never arise.

MR. NEARY: It is against the Human Rights Code, by the way.

MR. ROSE (U.N.): I see. Why is that? I mean it is probably not completely on all fours with the principle of this bill but why is the twenty-eight year age limit imposed in respect of recruitment?

MR. CROSSIE: Because they have a short term -

MR. HICKMAN: If I may answer: My understanding and this applies

as well to the St. John's Fire Department and I think it applies to the penitentiary and I know for instance it applies to other Canadian Police Forces such as the RCMP but because of the conditions of work which are involved as opposed say to the public service where you come to work at nine and go home at five, they work shifts, they work on the street and there is a great deal of physical work involved and experience has indicated that unless they are promoted to officers that the desirable age limit is twenty-five years from the time they go in and this is why the maximum age of twenty-eight is on there.

MR. WOODWARD: What would happen in the event that a person who is a policeman in Ontario comes back at thirty and wanted to join the police force here?

MR. HICKMAN: He will not be able to join.

MR. ROVE (W.N.): So the oldest that a person can be, if he is not an officer in the police force, is fifty-three years of age. Is that sensible or not?

MR. HICKMAN: Most of them. For Ontario, I think you will find that under the Firemen's Union Act of the Ontario Fire Department they look for a much earlier retirement.

MR. ROVE: Do they get good pensions at fifty-three years of age?

MR. HICKMAN: Yes.

On motion bill read a second time, ordered referred to a committee of the whole House presently, by leave:

Motion, second reading of a bill, 'An Act Further To Amend The Revenue and Audit Act:'

MR. CROSSIE: This amendment to the Revenue and Audit Act, Mr. Speaker, is to deal with the leave and pension rights of the comptroller and the auditor general. Now I believe the reason why this is necessary is that the comptroller, before the previous comptroller, Mr. Groom, had a special arrangement with respect to his pension and as a result of

that there was an amendment made to the Revenue and Audit Act that had to do with the pension rights of his office. This amendment is to make it clear that the comptroller holds office during good behaviour, removable by the House of Assembly, and that he has the same pension rights as other civil servants and the same rights with respect to leave and so on under the Civil Service Act and the Public Service Pensions Act. The same amendment to provide the same matters with respect to the auditor general, that he is pensionable as a civil servant is and has the same rights with respect to leave and so on as a civil servant.

On motion bill read a second time, ordered referred to a Committee of the Whole House presently. by leave.

Motion, second reading of a bill, "An Act To Revise And Consolidate The Social Security Assessment Act.

MR. CROSSIE: Mr. Speaker, I would move second reading on this bill: The bill is a revision and a consolidation of the Social Security Assessment Act, 1963 and the amendments that have been made between 1963 and 1971. In addition to revising the language and the form or content of the bill, the various bills that were enacted by the House, they have added to the act certain exemptions that were made by regulations. Now other than that, for example, in the exemption from SSA tax where tangible personal property on which tax has already been paid is conveyed by a businessman to a company which he had incorporated to carry on his business: That used to be taxable and the decision was made that it did not need to be taxable, with certain safeguards. So I do not think there is very much I can say. It is the law that has already been in effect, with very slight changes. This is the most important source of revenue the provincial government has in itself and this is just to make the law clearer and to consolidate the act into one place so that it is easier for people to refer to it.

MR. ROWE (W.N.): As the honourable minister said, Mr. Speaker, the SSA tax is the greatest source of revenue that this province has at present. Now that may or may not be right. My own personal feeling is that it is wrong. It is a retrograde type of tax. The less well-off person pays a far greater proportion of his or her income as a result of the SSA tax than does the well-off person. But we are not to get into that matter at the moment. This is as the minister has said a revision of existing legislation and the points which - not a revision just a revision of the language and the form of existing legislation. So there is no new matter in it upon which we could have a general debate as to the rightness or wrongness of an SSA tax or that type of a tax. Maybe next year we can get into that, as my honourable colleague says.

Put on the couple of new matters that have been mentioned here: the exemption of tax, for example, of personal property being conveyed from a person carrying on business to a company, an incorporated company carrying on business. Can the honourable minister give us an idea as to how much revenue will be lost to the province as a result of that type of an exemption? Has that been calculated out? Is it substantial or minor or what? That is all I have to say on it, Mr. Speaker.

MR. CROSBIE: Mr. Speaker, I would say that the amount of revenue to be lost would be very little, certainly not over \$10,000 or \$12,000 a year because the regulations were amended to provide this some time ago and the only change now is that has been put into the act. So there should not be any great revenue loss and there are several safeguards on it to ensure that this is a bona fide transfer and that the shares of the company are not sold afterwards. So there will not be any great revenue loss from it. This exemption, I believe, has been in effect for several years.

On motion, bill read a second time, ordered referred to a Committee of the Whole House presently, by leave:

On motion that the House go into Committee of the Whole on sundry bills, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE:

MR. CHAIRMAN: Order!

A bill. An Act Further To Amend The Insurance Premiums Tax Act, 1968.

MR. HICKMAN: Clause (2), Mr. Chairman, 2(c)(vii) I move that the clause be amended by adding after "1962" the words, "Or any successor Act to that Act.

On motion, Clause 2 as amended, carried.

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

A bill, An Act Further To Amend The Revenue and Audit Act.

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

A bill. An Act To Provide For the Exemption of Atlas Construction Company Limited from Taxes imposed by the Social Security Assessment Act, 1963.

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

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A Bill, "An Act Further To Amend The Constabulary (Pensions) Act, 1970." (No. 49).

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

A Bill, "An Act Further To Amend The Revenue And Audit Act." (No. 70).

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

A Bill, "An Act To Revise And Consolidate The Social Security Assessment Act." (No. 71).

Motion, that section 10-1-D(3) be amended by changing the word "establishment" in the third line of this paragraph, to 'establishments.'

MR. W.N. ROWE: Mr. Chairman, I wonder, maybe if the Minister of Justice could mention now and we could get it over with - we have no objection to passing the remainder of the clauses in toto, provided of course no precedent is established. There are sixty clauses here and I have no objection at all if we just do them all without reading them out.

AN HON. MEMBER: (Inaudible)

MR. ROWE: Okay.

On motion, clause (10) as amended carried.

MR. HICKMAN: Clause (14), Mr. Chairman, I move that 14L-(2) be deleted and replaced with the following: "(2) The title to the tangible personal property of the existing business, trade or occupation referred to in paragraph (1) is sold or transferred to the corporation by the natural person or persons within one year after the date of incorporation or the date of coming into force of this Act which ever is the later."

On motion, amendment carried.

On motion, clause (14) as amended, carried.

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

On motion, that the committee rise, report having passed certain Bills and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole considered the matters to them referred and have directed me to report that they have passed Bill, No. (16) and (71) with some amendments, and Bills (49), (51), (50) and (70) without amendment.

On motion report received and adopted.

On motion, Bills ordered read a third time now by leave.

On motion, a Bill, "An Act Further To Amend The Constabulary (Pensions) Act, 1970," read a third time, ordered passed and title be as on the Order Paper.

On motion, a Bill, "An Act To Provide For The Exemption Of Atlas Construction Co. Limited From Taxes Imposed By The Social Security Assessment Act, 1963," read a third time, ordered passed and its title be as on the Order Paper.

On motion, a Bill, "An Act Further To Amend The Revenue And Audit Act," read a third time, ordered passed and its title be as on the Order Paper.

On motion, a Bill, "An Act Further To Amend The Revenue And Audit Act," read a third time, ordered passed and its title be as on the Order Paper.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and report having passed Bills no. (16) and (71) with some amendments.

On motion report received and adopted.

On motion amendments read a first and second time.

On motion Bills ordered read a third time now.

On motion, a Bill, "An Act Further To Amend The Insurance Premiums Tax Act, 1968," read a third time, ordered passed and its

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title be as on the Order Paper.

On motion, a Bill, "An Act To Revise And Consolidate The Social Security Assessment Act," read a third time, ordered passed and its title be as on the Order Paper

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

MR. HICKMAN: Mr. Speaker, this is a very simple amendment and the explanatory notes set forth very clearly what is intended. There was a committee of young lawyers, a subsection of the Canadian Bar Association, who did a review of the Law Society Act as it applies to our articulated clerks. It was found that the Province of Newfoundland, I believe, is now the only province that does not permit articulated clerks to appear in the Magistrate's Court and before certain administrative tribunals after they have obtained a degree in law, but still have six months or more of articling left before being called to the Bar.

With the implementation and expansion of legal aid, not only will it provide young law graduates with an opportunity of getting the feel of the courtroom but at the same time I believe that a great deal of excellent service will be rendered by these young men. It was decided that it should be done by regulation rather than have it specified in legislation because after the experiment has been ongoing for a year or two, it could very well occur that the same courtesy and right might be extended to articulated clerks to appear at least on motions in the District Courts and maybe in the Supreme Court. I move second reading of the Bill.

MR. W.N. ROWE: Mr. Speaker, I am in complete agreement with the principle of this Bill. Of course, we do not know really what the substance of it is going to be until the regulations are passed. We do not know what the effect is going to be until a year or so after the regulations have been promulgated. I would suggest though, Sir, that there is no reason at all why articulated clerks, especially those

who have received their law degree and are now going into the final six months of their articles, (I believe you can only do three months of articles before) should not be able to appear on their own in Magistrate's Court but to accompany their senior or a practitioner in County Courts, District Courts and Supreme Court, even in the Court of Appeal, for that matter, and be permitted to argue in those superior courts provided, of course, that they are accompanied by somebody who has some experience in the field so that a client's interests are not jeopardized.

It has always been beyond me how anyone could be considered to have done good articles, to serve their apprenticeship in the law, if they have never been able to get their feet wet in some of the courts in the province. I am in complete agreement with that. I think that with this bill, I hope that the honourable minister takes cognizance of the few suggestions I have made. I think articulated clerks should be given as much leeway as possible

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to gain as much experience as possible in the courts of the province, provided that certain necessary safeguards are taken to protect the interests of the clients of lawyers.

I do not think there is any further need to say anything else on this particular bill.

On motion, Bill read a second time ordered referred to a Committee of the Whole House, on tomorrow.

Motion, second reading of a Bill, "An Act Further To Amend The Summary Jurisdiction Act." (No. 65).

MR. HICKMAN: Mr. Speaker, this is simply to correct an error, a typographical error in the amendment that went through earlier in this session. Where judgement creditor had been used; judgement debtor instead of judgement creditor, I move second reading.

On motion, Bill read a second time ordered referred to a Committee of the Whole House on tomorrow.

Motion, second reading of a Bill, "An Act Further To Amend The Prisons Act, 1969." (No. 57).

MR. HICKMAN: Mr. Speaker, the explanatory notes set forth very clearly the reason for moving this amendment. Arrangements have been made to have inmates of the penitentiary avail of certain recreation facilities in and around St. John's. For instance, groups of ten or fifteen quite often visit certain areas to play basketball and volleyball and that sort of thing, always under the supervision of a number of warders. They are generally out of the penitentiary for about two hours, but it was discovered that this was not in accordance with the Prisons Act. To rectify that and to allow for the continuation of something that is already ongoing is very desirable. I move second reading.

On motion, Bill read a second time ordered referred to a Committee of the Whole House on tomorrow.

Motion, second reading of a Bill, " An Act Further To Amend The Judicature Act." (No. 79).

MR. HICKMAN: Mr. Speaker, the explanatory notes set forth pretty clearly what this bill is intended to do. The first part of the bill will enable - it was discovered that the Judicature Act does not provide the detailed rules required for stated cases or references to the Supreme Court. This is designed to rectify that problem. Clause (3), last year honourable members will recall that there was a very salutary step taken by fixing circuits in certain areas of the province. The South Coast was excluded from that amendment, I suspect it was a typographical error. It has now been included and provided under this amendment that the Supreme Court on Circuit will sit at Grand Bank at least once a year. I move second reading.

MR. W.N. ROWE: Mr. Speaker, will consideration be given in the next year or so to having circuits in other places in the province? For example; there is the Great Northern Peninsula and Port aux Basques that perhaps should have the service of the Supreme Court. Unless of course he follows up on the suggestions made to the Government of Canada by the previous administration and gets a Supreme Court judge to reside in Corner Brook, which would have a salutary effect, it would relieve the burden on the West Coast of the province.

I think the least we can expect in the province, Sir, is that people should not have to undergo nor incur more than the normal amount of expense in order to go to court in this province. Nobody likes to go to court, and anyone who goes to court, even if he wins his case, hates to be bankrupted as a result of it. No, there is no reason at all why our Supreme Court judges, having once taken upon themselves to become Supreme Court judges, should not travel around the province on a regular basis and range far afield for the service of the people.

MR. SPEAKER: If the minister speaks now he closes the debate.

MR. HICKMAN: Mr. Speaker, there are two things I would like to draw to the attention of the House. One, apart altogether from the fixed circuits, the Supreme Court on Circuit can by proclamation visit other

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areas if there is any work to be done. Secondly; in 1969, I think it was in September of 1969, it could not have been later than September of 1969, but in September of 1969 I am quite sure, I appointed Mr. James E. Nurse, Q.C. and the honourable the member for Placentia West, or retained them, on behalf of the Department of Justice or in my capacity as the Minister of Justice, to make a complete review of the Judicature Act.

Our Judicature Act was passed before the turn of the century and our rules were quite antiquated. That committee did a great deal of work for about three or four months and apparently were instructed to discontinue their efforts. I propose to not only take advantage of that work but to reactivate that committee. I am not sure if I can do it with the honourable member for Placentia West now but if not, someone else. If the Legislative Disabilities Act does not prohibit it, I would certainly like to avail of his work and knowledge. Hopefully, we will have the Adjudicature Act.

On motion, Bill read a second time ordered referred to a Committee of the Whole House on tomorrow.

MR. MARSHALL: Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Wednesday at 3:00 p.m.

On motion, the House at its rising adjourned until tomorrow Wednesday, at 3:00 p.m.