



PROVINCE OF NEWFOUNDLAND

**THIRTY-SIXTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND**

Volume 4

4th. Session

Number 55

VERBATIM REPORT

FRIDAY, JUNE 20, 1975

SPEAKER: THE HONOURABLE M. JAMES RUSSELL

The House met at 11:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

STATEMENTS BY MINISTERS:

MR. SPEAKER: The honourable Minister of Fisheries.

HON. J. C. CROSBIE, Minister of Fisheries: Mr. Speaker, I would like to inform the House that I have today sent a telegram to the honourable Romeo LeBlanc, Minister of State of Fisheries in the Government of Canada, and a copy to the honourable Mr. Jamieson, Minister of Regional and Economic Expansion requesting the Government of Canada to implement a programme of special financial assistance to alleviate the financial suffering of fishermen along the area from Sandy Cove, St. Barbe North, around the tip of the Great Northern Peninsula through Green Bay and Notre Dame Bay to Fogo Island and including the Strait Shore of Bonavista North, who because of severe ice conditions have been unable to prosecute the fishery to date this year.

The text of the Telex is as follows, "At the present time ice is still close to the shore extending from ten to twenty miles offshore from Sandy Cove, St. Barbe North, around the tip of the Great Northern Peninsula and down through Green Bay, Notre Dame Bay to Fogo Island and including the Strait Shore of Bonavista North. The ice has prevented fishing in this general area with the exception of sporadic lobster fishing at the bottom of Notre Dame Bay and on the Strait Shore and has prevented fishing since early May. There has been a considerable loss of such gear as lobster pots and salmon nets but the exact losses cannot yet be ascertained until the ice moves off. The result of these very severe ice conditions is that the fishermen along the affected area have been unable to prosecute the fishery despite the fact that Unemployment Insurance benefits expired May 15. Thus the fishermen of this area are faced with the same situation as applied in the severe ice conditions of last year. I feel that an emergency situation now exists and urgently request that you implement a special financial assistance programme to compensate the fishermen for this lost time.

The assistance programme should be made retroactive to the date fishermen last received U.I.C. payments and brought forward to the point when ice conditions improved so as to permit fishing activities to begin again on a commercial scale. I am in receipt of many requests from fishermen in communities asking me to impress upon you the seriousness of their financial situation and understand from statements of federal members that you can do nothing without a request from the province. We would appreciate immediate action since fishermen may have no choice but to abandon the fishery altogether or to seek Social Assistance unless U.I.C. benefits or other financial assistance is extended to the time when the ice conditions improve." That is the end of the message.

Now, Mr. Speaker, the position with respect to gear is as I have told the House on several occasions, that until the ice moves off and you have an exact picture of what gear is being lost you cannot deal with that problem. That will have to be dealt with later. I would also like to point out to the House that there is no need, it is incorrect to state that we have to request the Government of Canada to do anything in connection with extending the time period for Unemployment Insurance benefits from May 15 until the ice goes or for a financial assistance programme. The Government of Canada can do that without any request from the Province. With respect to the gear situation, of course, I think there we will meet with them when the time comes and see whether both governments consider any special programme is needed in view of the reported losses.

But just to allay any doubt in anyone's mind that we do have to make such a request, I am formally now making this request of the honourable Mr. LeBlanc so that federal members in particular will have their opinions observed and this message has gone off to the Government of Canada and we hope that they will make a quick decision on what to do. They did exactly that, they took that procedure last year and they could do it again this year if they so wish. So it is really a matter for them to decide. But we pointed out that this should be done and why.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: Mr. Speaker, this is in accord with a telegram we sent, or I sent in accord with the Leader of the Opposition to Mr. LeBlanc on May 18th. and the reply we got back from Mr. LeBlanc at that particular time was that unless the area was declared a disaster area and a special request had been made by the province there was nothing that the federal government could do or would be willing to do without that request.

Now I am very happy to see that the Minister of Fisheries now has made that request.

I must knock him on the knuckles for this. I think he is a bit late in making this request. This request should have been made, in my opinion, weeks earlier. However, better late than never. It certainly confirms what we have done and I am sure the fishermen along the areas which the minister refers to in this telegram will be more than pleased now that the official request has gone out from the Minister of Fisheries or from the Government of Newfoundland requesting such assistance.

MR. CROSBIE: Mr. Speaker, I will point out again that there is no requirement of any law that the federal government must wait for any request from the Province to undertake such a programme. To the contrary, Unemployment Insurance is a matter within their responsibility and they have not had to wait for a request from the Province. But we are making this request now and it is too bad, of course, that they did not listen to the honourable gentleman from Fogo when he sent a request. We trust that they will listen now to our request which should not be necessary to send in the first place.

CAPT. WINSOR: Yes, but you are at best dealing with only Unemployment Insurance here.

PRESENTING PETITIONS:

MR. SPEAKER: The honourable Member for Trinity North.

MR. BRETT: Mr. Speaker, I beg leave to present a petition on behalf of the residents of Deep Bight and Adeytown. The prayer of the petition, "We, the undersigned residents of the area Adeytown to Deep Bight in the district of Trinity North humbly petition the members of the provincial legislature to give prompt and full attention to our request to have the area referred to above paved at the first opportunity. The distance involved is only approximately three to four miles. The Adeytown-Deep Bight area is a fairly rapidly growing location and the use of our automobiles is vital to our everyday needs.

"We are having this petition passed over to our member. We are requesting him to present it to the legislative assembly at the earliest opportunity." This has been signed by approximately 130 voters of the area. These two communities are very near the

Trans-Canada Highway. There are four or five communities there from Northwest Brook into Deep Bight, a sort of a scenic area. The sad part about it, Sir, is that this should have been paved in 1965 when the Trans-Canada went through because they are so near the highway. Unfortunately it did not happen and apparently it has never been placed very high in the priority list since.

It is true that these small communities are growing because they are close to the Come By Chance complex and instead of fading out, as some small communities are, they are building up. In view of this, Sir, I have no hesitation in recommending that this petition be adhered to as soon as possible. I ask that it be placed on the table of the House and referred to the department to which it relates.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: Sir, I would like to support the petition presented by the honourable the member for paving of the area around the communities of Deep Bight and Adeytown. 132 voters are involved, Sir, so obviously many more people are involved. That is a beautiful and scenic part of the Province. With this particular area paved, obviously more tourists would be attracted to the area. Sir, the member mentioned that it should have been paved in 1965. Well, that may well be. The only reaction I could have to that would be, why has it not been paved since 1972?

But, Sir, we wholeheartedly support the petition of the 132 voters in Deep Bight and Adeytown for the pavement of the road in their communities.

MR. SPEAKER: Are there any other petitions?

The honourable Member for Bonavista South.

MR. MORGAN: Yes, Mr. Speaker. I beg leave to present a petition from 148 residents of the community of Summerville in my district of Bonavista South. The prayer of their petition is that the road from Summerville in the direction of King's Cove, that as many miles as possible of that main road be paved this Summer. Mr. Speaker, I would like to point out that I am very proud to say that this year the first bit of pavement on the road from Southern Bay to

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Bonavista, serving nineteen communities, that this year is the first year that any pavement has been seen on that shore. But, the fact that the road from Summerville to

King's Cove is eighteen miles and it is a bus route where all the children from Summerville are bused daily to King's Cove to school there. The fact that the present paving programme is only calling for two or three miles in that section of the main road we are doing the paving of five miles in the Amherst Cove-Newmans Cove area, the lower end of the Shore. But in between Summerville and King's Cove we are only paving approximately three miles. This petition is asking that as many miles as possible be paved.

Of course, in supporting the petition I have to support it in a qualified way because we cannot pave roads unless they are reconstructed. Last year a reconstruction contract was let but unfortunately the contractor did not get in the area to start work until rather late in the season. Therefore, the reconstruction work was not carried out to a point where paving can be carried out this year. So, I am hoping that this year weather-wise will be a good construction year. The contractor is now working in the area and we can continue on with the reconstruction and next year, God willing, that the road from Summerville to King's Cove will be paved.

So, I support the petition, Mr. Speaker, and I move it be tabled and presented to the department to which it relates.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: We have no hesitation in supporting the petition presented by the Member for Bonavista South, Sir, calling for the pavement of the eighteen miles of road between Summerville and King's Cove. It has been signed by, I understand, approximately 450 citizens in the area. In view of the fact - how many?

MR. MORGAN: 148.

MR. ROWE: 148, I am sorry, 148 citizens in the area. In view of the fact, Sir, that is a school bus route, obviously the importance and the need for the paving of this road is necessitated because of that fact. If I understand correctly, Sir, three miles

have been promised for this year. I sincerely hope that the member gets his wish and that the eighteen miles will be paved after the upgrading and reconstruction, taking into consideration, Sir, the fact that there are many other parts of the Province that need to be paved. Obviously, the government has to spread what money it has available for reconstruction, upgrading and pavement, spread it equally and fairly all over the Province of Newfoundland and Labrador.

So, Sir, we have no hesitation whatsoever in supporting the petition.

MR. SPEAKER: Are there any other petitions?

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

MR. SPEAKER: The honourable Minister of Mines and Energy.

HON. L. BARRY: This is the answer to oral questions, Mr. Speaker, previously - this is the appropriate time, I assume?

MR. SPEAKER: Yes.

MR. BARRY: The honourable Member for Hermitage asked the question in connection with the decision of the Newfoundland Hydro to go to a central billing system in those areas of the Province where it, on behalf of the power distribution district, directly retails power to the consumer. That is correct. The corporation will be proceeding to a central billing system. This step is being taken to increase the efficiency of the corporation and to decrease the cost of providing the service to the consumers of our Province. It is not yet known whether there will be any employees affected by this decision. The corporation is in the process now of analysing the situation to try and determine, or to try and insure that there will not be any adverse effects on employees with respect to having to consider certain employees surplus or redundant.

If there will be any employees who will be affected all attempts will be made to find alternate positions for them with the corporation. But this is a step that must be taken to insure that the cost of providing service to the consumer is reduced as low as possible and that the efficiency of the corporation is improved

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as much as possible.

MR. SPEAKER: The honourable Minister of Health.

HON. R. WELLS: Mr. Speaker, this is an answer to an oral question asked by the honourable Member for Bonavista North on Tuesday. It concerns the policy of the Departments of Health and Social Services also in supplying things like dentures

to people in need. The answer is, Mr. Speaker, that there is a policy whereby if a doctor certifies that a person who cannot pay for them himself is in need of dentures and that it could create a health hazard to him for him to be without them, then the Department of Social Services as a matter of policy will provide the appropriate denture. I think the same thing is so in the case of eyeglasses. But there has to be a real medical need and certified by a medical doctor that the need exists, and then the Department of Social Services will step into the picture.

ORAL QUESTIONS

MR. SPEAKER: The Hon. Member for Fogo.

CAPT. WINSOR: Mr. Speaker, may I direct a question to the Hon. the Premier. Is the Premier considering setting up a special and an immediate committee or board or some source of information to deal with the closing of the U.S. Base at Goose Bay?

MR. SPEAKER: The Hon. the Premier.

HON. F. D. MOORES (PREMIER): The answer is yes, Mr. Speaker. I have asked the Minister responsible for Intergovernmental Affairs to check with the present Task Force and see exactly what state of readiness, if you like, and also how much work has been done from that particular group. I have also asked, quite separately from that, the Minister of Industrial Development and the Minister of Manpower and Industrial Relations to start themselves forming up from a different angle exactly what can be done on a speeded-up basis to make sure that the various personnel who will be affected will be given first priority and hopefully jobs through the Lower Churchill development and any other sort of development in the area to see if we cannot make the transition as easy as possible.

ORDERS OF THE DAY

A bill, "An Act To Amend The Conveyancing Act", read a second time. (Bill No. 92).

MR. SPEAKER: The Hon. Minister of Justice.

HON. T. A. HICKMAN: (Minister of Justice): Mr. Speaker, this is a fairly small amendment to the Conveyancing Act but it does fall

very definitely into the field of law reform. If I may give a very short background comment on this bill, the position right now is, or at one time was, that in England and in Newfoundland the common law of landlord and tenant has developed in such a way that equity will not relief against forfeiture in the event of a breach of, by a tenant, of a covenant in the lease not to assign, sublet or otherwise part with possession of the premises without the written consent of the landlord. This deficiency in law which works obvious hardship and injustice was relieved in England by various amendments to the Conveyancing and Law of Property Act and the various Landlord and Tenants Act by simply providing that the landlord could not charge any fine or penalty if he consented to the leasehold assignment, nor could he unreasonably withhold his consent.

This Statutory provision in England has been incorporated in Statutory Condition 3 of all leases for residential tenancies in Newfoundland by virtue of Section (7) Subsection (1) of the Landlord and Tenant, Residential Tenancy Act. Unfortunately this excellent provision is not incorporated in the general conveyancing or landlord and tenant law. And this position in law as it now stands has caused a great deal of difficulty from time to time particularly to practitioners in law where you have a perfectly reasonable request by a tenant for the consent of a landlord to the assignment of a lease and where the landlord unreasonably withholds such consent and for without any reason, or alternatively tries to demand of the tenant or extort from the tenant a fee or a sum of money which would be, you know, as consideration for his agreeing to consenting to such an assignment of a commercial land lease, and here we are referring to commercial land leases.

This reform, as I say, in the law was carried out in England and the implications of such reform are not that wide ranging and they have received a great deal of consideration and study in England over the last ninety years since they have been incorporated into the English law. And this bill before us, Mr. Speaker, simply provides that in the event of a request in the commercial lease of the

landlord to consent to an assignment of the lease that we will insert the following words which really speak for themselves.

"Without the consent in writing of the lessor which consent shall not arbitrarily or unreasonably be withheld or charged for unless the landlord has actually incurred expense in respect of the grant of the consent." This protects the lessees or commercial properties and at the same time does not prevent a landlord from receiving his or her just compensation but it takes away the right to hold up their consent where there has been a perfectly legitimate request for an assignment to a very reputable lessee and the request has come from the tenant. I move second reading.

On motion, a bill, "An Act To Amend The Conveyancing Act," read a second time, ordered referred to a Committee of the Whole House presently by leave.

Motion second reading of a bill, "An Act Respecting The Awarding Of An Increase Of Pensions To Or In Respect Of Certain Employees Of The Government Of Newfoundland, Certain Teachers And Certain Members Of The House Of Assembly."

MR. SPEAKER: The honourable Minister of Finance.

MR. EARLE: Mr. Speaker, this is a comparatively short act but it is a very important one because it gives the authority to the House to the budget announcement whereby the pensions of all public servants working for this government were to be increased or had been increased to a minimum of \$1,200 per annum. All pensions paid directly by the government including those pensions increased to \$1,200 shall be increased by twelve per cent per annum.

It also states that persons receiving a pension now of \$8,333 will be held to a maximum of \$1,000 increase per annum. In other words, that is the cut off stage because anybody having a pension of over \$8,333 would automatically on the twelve per cent increase get more than \$1,000. So, it stops at \$1,000 for budgetary reasons. Obviously there are many people in the public service who would in time qualify for a pension greater than \$8,333 yearly. There had to be a cut off point somewhere. These people will

be entitled in future to a raise in their pensions of \$1,000 per annum.

I might say that since this action was taken by government, I have received more letters of thanks and appreciation than for any other action that I have been associated with for this government. It is a very popular move throughout the service and people are extremely grateful. It is unfortunate that in years gone by so many pensioners, who are now pensioners who were working on a very, very low salary in days when salaries were low were only entitled to pitifully small pensions. While the minimum here now of \$1,200 per annum is perhaps less than should be desired, it does give them a certain floor whereas before there were many pensions below that level.

Hopefully in years to come this can be increased. But at present this is a very good step in the right direction and I have much pleasure in moving this bill.

MR. SPEAKER: The honourable Member for St. Barbe North.

MR. F. ROWE: Mr. Speaker, we endorse in principle this bill for an increase of pensions to certain employees of the Government of Newfoundland and certain teachers and certain members of the House of Assembly.

Sir, one could hardly knock any increase, however small or however large. I guess one can still question the degree of the increase, whether it is sufficient or not, and I am glad to hear the minister state that he has received a great many letter of thanks which indicates that there is a group or there are groups of people within the teaching profession or in the Civil Service who are pleased over this particular increase and Sir, although \$1,200 may seem like a very small amount, we can still be thankful that we do have the Canada Pension Plan and we do have the Old Age Pension which would supplement the pension referred to in this particular bill.

Obviously, Sir, there is still room for improvement on all fronts, with respect to teachers and with respect to the Civil Service and with respect to members of the House of Assembly. But obviously this is all determined upon the ability of the Province to pay in spite of the fact that there are obviously contributions made by the pensioners during their working years. But, Sir, we support in principle this particular bill and there is really not much to be said about that. Sir, unless my colleague has something to add where I have left off.

MR. SPEAKER: The honourable Minister of Fisheries.

MR. CROSBIE: I would like just to speak briefly on this bill, Mr. Speaker, because every year since the present government has been in office there has been an increase introduced in the budget for Civil Service, teacher pensioners, and other pensioners who receive their pensions from the Government of Newfoundland. And this year's increase was so that everybody would have a minimum pension of at least \$1,200, as the Minister has said, or twelve per cent. And there were, when we came into office many, many pensions from people who were ex-postmasters and ex-postmistresses and this kind of job before Confederation where the pension was only \$100 or \$150 a year, \$200, or \$250. This means that a lot of those people now are going to receive a pension which is greater than the salary they got when they were

doing those part-time jobs. And the twelve per cent increase, of course, is to help present pensioners with respect to the cost of living. Well this is the third increase, if not the fourth, it is certainly the third increase in the pensions paid to our pensioners by this government since 1972 and I think it is an illustration of the fact that we are trying to look after people who are unorganized and not in any position to put a great deal of pressure on or to secure increases through any organized means of their own. So I would like to congratulate the minister and simply point that out.

And this together with the fact that this year the government has instituted another change so that anyone who served in World War I or World War II - well, World War II in particular - and the Armed Forces, who were overseas in the Forestry Service or in the Merchant Navy, that their time counts for pensionable service whether or not they were in the Civil Service or a teacher before they went overseas is another tremendous advance and advantage for our pensioners who go on pension in the future and a tremendous step forward. So I think it is only fair to say, Mr. Speaker, that in the field of pensions and looking after our own pensioners this government has made a tremendous step forward for pensioners and for those who will be going on pension in the future.

The members of the House of Assembly mentioned in this Act, unless there is any suspicious minds, are past members of the House of Assembly who are now receiving pensions, who are therefor over sixty years of age, or whatever the age is, and who are now out on pension and they of course deserve the same treatment and as any other pensioner and the twelve per cent increase applies to their pensions as well as the other persons' pensions. It has no benefit of course for us who are not pensioned but it is for those who are out on pension.

MR. SPEAKER: The honourable Member for Fogo.

CAPT. WINSOR: Mr. Speaker, as my colleague stated, we certainly agree and commend the government for taking this action. But this is just

another one of the many actions which the government are taking this year, along with many other I suppose to come. This seems to be the right year to do those things. And even though we may be heading into an election year we certainly give the government credit for taking this step. But the one question I would like to ask the minister when he speaks in the closing of the debate; how does this effect the Federal Civil Servants? Some of the Federal Civil Servants who have served overseas and who came back and worked with the federal government for a short period of time, would they be eligible for this pension and consideration as well? Perhaps when the minister and the Premier

get through their conversation there, the minister may be able to take note and respond.

MR. SPEAKER: The honourable minister speaks now, he closes the debate.

MR. EARLE: I am sorry, I was distracted there for a moment. The question was about the federal employee. This, Mr. Speaker, is a very complicated issue at the present time. There is some dissatisfaction expressed by people who transferred to federal employment at the time of Confederation. It is very complicated by the fact that those who transferred at that time were given the option of leaving their pension which they had acquired under the provincial scheme, or letting it go in with the federal scheme accepting the full federal pension. Some did and some did not. I think there are a sum total of 310 various employees who elected to have their pensions remain with the Provincial Government.

Unfortunately, another complication of this was that the Federal Government did not recognize war service. Naturally these people feel now that because of the action which our government has taken in acknowledging war service that they should be entitled also to receive war service. This is an ongoing question which we are having a great deal of difficulty with. I have had many letters on it. There has to be a lot more discussion before I can give an accurate answer as to what the final decision will be on that. But as of the moment these transferred pensioners who elected to leave their pensions with us are not credited with war service. The mechanics of it is that where they go to work with the federal public service we transfer their pension payments to the federal service. The federal service combines that with their pension and pays them.

The Federal Government as of yet does not acknowledge their war service. We think they should. But this is something which has to be thrashed out.

On motion second reading of a bill, "An Act Respecting The Awarding Of An Increase Of Pensions To Or In Respect Of Certain Employees Of The Government Of Newfoundland, Certain Teachers And Certain Members Of The House Of Assembly," read a second time, ordered referred to a Committee of the Whole House presently by leave.

On motion second reading of a bill, "An Act Further To Amend The Community Councils Act, 1972." (Bill No. 90)

MR. CROSBIE: Mr. Speaker, I rise to move second reading of this bill. The purpose of the bill is simply to give community councils the right to pass regulations controlling the licensing and registration of dogs in their own community, prescribing the form of license and so on. This is a function, of course, that every municipality should have within its own municipal area. The purpose of the amendment is to give community councils that right. I do not think they have had that power before.

MR. SPEAKER(Stagg): The honourable Member for St. Barbe North.

MR. ROWE: Mr. Speaker, this particular bill relating to the Department of Municipal Affairs and Housing is not quite as controversial as bill (65) that we spoke to last night. Sir, there is obviously a need to give the local governments or councils the jurisdiction over the licensing of dogs because this problem does exist throughout the Province. As a matter of fact there were a number of communities last summer that I can remember that were virtually taken over by dogs. So, Sir, it appears to be a reasonably sensible act, non-controversial, not earth-shattering but very important to

the local people in various areas where livestock and sheep and this sort of a thing, even farming areas, vegetables are destroyed by roaming dogs and it is a very serious problem to certain communities in the Province. I am happy to see the government bring in this particular amendment and it has our support, Sir.

On motion a bill, "An Act Further To Amend The Community Councils Act, 1972," read a second time, ordered referred to a Committee of the Whole House presently by leave.

On motion second reading of a bill, "An Act Further To Amend The Local Government Act, 1972." (Bill No. 91)

MR. CROSBIE: Mr. Speaker, these are just minor amendments to the Local Government Act. One is to provide or make clear that municipalities have the right to pass regulations for the control of dogs within the municipalities the same as we just did in connection with the community councils. Another part of the amendment is just clarifying the method of appointment of a Board of Assessors in a municipality and when they are asked to determine compensation for property taken. There is to be a Board of Assessors consisting of a chairman and two other assessors. The council are to appoint one assessor, the owner of the land or property to appoint an assessor and then the both of them, of course, to agree on a chairman. Failing their agreeing on a chairman, then the Supreme Court, or judge of the Supreme Court can appoint the chairman. I therefore move second reading of the bill.

MR. F. ROWE: Sir, we can dispense with the dogs very quickly but I would like to ask a question with respect to - I do not know if it is quite in order. It might be a little bit outside of the board but this bill deals with an amendment - this bill would also amend the principal act, to change the manner of appointment of a Board of Assessors. Sir, okay, that is fine, but would the minister care to indicate to the House, Sir, you know, the difficulty that we have in various areas of the Province with respect to assessing property for purposes of taxation presumably.

Now, I understand that, you know, there is a big problem even

within the capital city of St. John's where we do have, presumably, a capable staff at the council at City Hall. They certainly have the physical plant down there, but they do have their difficulties in assessing property for taxation purposes. If the capital city has difficulties, presumably the other major towns and cities and certainly the various communities throughout the Province would have the same difficulty.

What is the government doing to assist local governments to try to get a reasonable and sensible and fairly streamlined and smooth running assessing system? Maybe it is a little bit outside this particular amendment, Sir, but I ask it for one obvious reason. Besides the imposition of local taxes now for water and what have you by local governments, we are going to have and we have had the imposition of school taxes. In order for that to work -

MR. CROSBIE: Are we going to go through all this again?

MR. F. ROWE: I know, Mr. Speaker. I am not going to get - the minister, I am not going to launch out on school tax authorities. But, obviously, Sir, if the system is not working properly at the local government level as far as assessment is concerned, there are likely to be difficulties with respect to the collection of school taxes. One is sort of related to the other. If we can smoothen out the assessment procedure for local governments and tie school taxes into them, however desirable, but tie them into them, obviously we would have a smoother working arrangement at less cost as far as collection is concerned.

So, when the minister speaks in closing on the bill, I would appreciate it if he would give some indication of the difficulty encountered in assessing and what the government is doing in trying to rectify the situation and improve it so that the actual collection and administrative procedures will be less costly to the Province and consequently local governments would get more money, more value for the money that is collected.

MR. SPEAKER (STAGG): If the minister speaks he closes the debate.

MR. CROSBIE: Mr. Speaker, what this amendment of course is dealing with is a Board of Assessors not to assess real property within the community for tax purposes, but if the council expropriates property in the town or injuriously affects property to assess what compensation the owner should get or what damages he should get from injurious affectation. Now on the point the honourable gentleman raises about assessment of course is entirely different but it is quite a problem to get sufficient trained assessors for the assessment of real estate within the municipalities. The Department of Municipal Affairs has his own assessment section. They do the original assessments in the towns that are going to, for the first time, impose a property tax and they try to train people in the municipality who can carry on the revisions of the assessments when that comes up every several years as the act requires.

So it is a difficult question. There is always a shortage of assessors and the City of St. John's has the same problem and of course it will be even more so if the City of St. John's changes to a capital value tax rather than a rental tax basis.

So Municipal Affairs is doing all it can to assist municipalities and training assessors and in getting more assessors for its own assessment division. It is a difficult problem that will be with us I imagine for a long time to come yet. I move second reading.

On motion a bill, "An Act Further To Amend The Local Government Act, 1972," 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,
Mr. Speaker left the Chair.

A bill, "An Act Respecting The Awarding Of An Increase Of Pensions Or In Respect Of Certain Employees Of The Government Of Newfoundland, Certain Teachers and Certain Members Of the House Of Assembly."

MR. CROSBIE: Clause (1), there is an amendment to clause (1),

subsection (o), "Contribution" in the first line should be "Contributory,"
"The Members Of The House Of Assembly Contributory Pension Plan
Act."

MR. CHAIRMAN: Shall the amendment carry?

On motion clause 1 as amended carried.

MR. CROSBIE: In clause 2 (2), the third line, the word "to" should
go in after the word "Act" so it reads, "of Section 1 of this
Act to or in respect of."

On motion clause 2 as amended carried.

On motion clauses 3 through 6 carried.

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

A bill, "An Act Further To Amend The Community Councils Act, 1972."

On motion clauses 1 and 2 carried.

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

A bill, "An Act Further To Amend The Local Government Act, 1972."

On motion clauses 1 and 2 carried.

MR. CROSBIE: Clause 3 (6) Mr. Chairman, (6) last last line, two
words, "it or" should go in before "him", "it appears to it or him
to be desirable."

MR. CHAIRMAN: Shall the amendment carry?

On motion Clause (3) as amended carried.

On motion Clauses (4) and (5) carried.

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

A bill, "An Act To Amend The Conveyancing Act."

On motion Clause (1) carried.

MR. CROSBIE: Clause (2) there is an amendment in the third line, the word "clause" should be "sub-paragraph" to read, "by deleting from sub-paragraph(v)."

MR. CHAIRMAN: Shall the amendment carry?

On motion Clause (2) as amended carried.

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

MR. CROSBIE: I move that the Committee rise and report progress and ask leave to sit again.

On motion that the Committee rise and report having passed certain bills with and without amendment and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. STAGG: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and directed me to report having passed bill No. 90 without amendment, and having passed bills No. 89, 91, and 92 with some amendments and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and report having passed Bill No. 90 without amendment, and bills No. 89, 91 and 92 with amendment and ask leave to sit again.

On motion report received and adopted, bills ordered read a third time now by leave.

On motion a bill, "An Act Further To Amend The Community Councils Act, 1972", (Bill No. 90), read a third time, ordered passed and third be as on the Order Paper.

On motion the following bills were passed with some amendments.

On motion amendments read a first and second time, carried.

A bill, "An Act Respecting The Awarding Of An Increase Of Pensions To Or In Respect Of Certain Employees Of The Government Of Newfoundland, Certain Teachers And Certain Members Of The House Of Assembly", (Bill No. 89), read a third time, ordered passed and title be as on the Order Paper.

A bill, "An Act Further To Amend The Local Government Act, 1972", (Bill No. 91), read a third time, ordered passed and title be as on the Order Paper.

A bill, "An Act To Amend The Conveyancing Act", (Bill No. 92), read a third time, ordered passed and title be as on the Order Paper.

MR. CROSBIE: Motion 1, Mr. Speaker.

MR. SPEAKER: I think the Hon. Minister of Mines and Energy adjourned the debate last day.

MR. BARRY Yes, Mr. Speaker, I have a few words to say on this, I will not be too long however. But as a member representing a fishing district, I think I could do no less than comment on the Report, the very fine Report of the Select Committee on the Inshore Fishery. I was interested, Mr. Speaker, in seeing the concerns that were raised by the fishermen, the issues that were raised that the fishermen indicated that they were concerned about. And on page 7 of the Report there was a record kept of the number of times that the main issues were raised. And by far the greatest concern is the issue of declining catches, and that,

of course, I think was obvious to any of us here in the Province, not only the fishermen, but most people in the Province are very concerned about the fact that catches have been declining over recent years. I note that the reasons that fishermen indicate that that they believe cause these declining catches are, first, trawler operations, the absence of a two hundred mile limit, gill net use, offshore caplin catches and insufficient patrol and enforcement of existing limits.

So, I would like first to direct my comments to the issue of declining catches and specifically to certain remarks attributed to the honourable Mr. MacEachen following the ICNAF meetings which closed yesterday - or closing today?

MR. CROSBIE: Closed yesterday.

MR. BARRY: Closed yesterday. Now, Mr. MacEachen is quoted as saying today that unilateral action never works. He is quoted as saying that Canada would become involved, that Canada would become involved in difficult confrontations with other nations, Mr. Speaker, if unilateral action was taken.

I would like just very briefly to address myself to the international law aspect of this, just very briefly, because this is an area where we see international matters, international activity, international negotiations having a very real impact on people in this Province, namely on our inshore fishermen. Now, Mr. Speaker, I had the opportunity to do a little bit of international law while I was at law school and from what I recall of it there were three ways traditionally that international law is made. One is by custom, and that for a long period of time, for centuries, Mr. Speaker, was the only way it was made. Another way is by treaty between one or two nations or a group of nations. Another way, which is becoming more predominant, is by the gathering together of many nations or all nations in international conferences and the drawing up of conventions or international rules at these conferences.

Now, Mr. Speaker, the last two, treaty and international conference, implies a certain amount of agreement between nations.

Even in this case, I think, there has been significant agreement or consensus developed over the past year with respect to the need for a two hundred mile limit to protect the fishing reserves, the fishing stocks off our Continental Shelf. But, Mr. Speaker, the first method of making international law, the method that was in use for centuries as the primary method whereby international law evolved, was that of custom. In other words, the manner in which nations behave, and we had, Mr. Speaker, in international law new rules of international law evolved when nations decided to set out on a particular course of action that was not necessarily the traditional way of acting.

Now, Mr. Speaker, what I am suggesting is that the development of international law by custom often involves unilateral action. It has in the past and it still does, and that when a nation reaches the point where it believes that it is imperative and necessary for international law to change, and it cannot get international agreement, then there is still a place, Mr. Speaker, for unilateral action in international law. When sufficient nations accept that unilateral action of one country or a number of countries, when considerable or significant acceptance of that as a matter of fact develops. Then

you have a new rule of international law. The federal government engaged in unilateral action when they extended the fishing limits from the three mile territorial sea to twelve miles.

MR. HICKMAN: An even more significant one was when they exerted jurisdiction in the Arctic Waters.

MR. BARRY: Exactly. Even more significantly when they exerted jurisdiction over Arctic waters. These were unilateral acts but these are acts which by now have been accepted by other nations, by many other nations. And this is another point, it does not have to be by all nations, Mr. Speaker, by a significant number, sufficient to show a consensus. These acts have been accepted, and I would submit, Mr. Speaker, that the taking of unilateral action to protect our fisheries would very quickly be accepted, if not by all nations then by a considerable majority of nations. I submit, Mr. Speaker, that the time has arrived for the Canadian Government to act and to act decisively.

If this does result in confrontation, Mr. Speaker, then so be it. Now, what about confrontation? Well, if Mr. MacEachen, if the Department of External Affairs does not feel that Canada is strong enough to protect itself in the event of taking unilateral action, if the Department of External Affairs is afraid that Canada will be bullied by other nations, other large nations who will not be prepared to accept Canada's stance in this area, then I submit, Mr. Speaker, that the United Nations is there and I submit that Mr. MacEachen and the federal government should consider if they are afraid that they will be pushed around, that Canada will be bullied, I would submit that they look to the United Nations for protection, that they look for the protection of the United Nations.

Now, I have my doubts, Mr. Speaker, whether that would be necessary. We see already in the United States, which is not what you would call an insignificant country in terms of strength or power, already you see there significant acceptance, Mr. Speaker, in the Senate, in the House of Representatives, of the concept of

the United States taking unilateral action. We have seen little Iceland that has been engaged in a course of unilateral action for some time now. We see South American countries such as Peru that has been taking unilateral action.

Now, Mr. Speaker, these countries have not been attacked. War has not been declared on them. They have not been pushed around. I submit that Canada would not be pushed around. Canada would not be attacked if it decided that unilateral action was the way to go. Peru has been claiming a 200 mile limit for, I think, since some time in the 1940's, and they have been arresting American tuna boats, for example, and fishing boats, going out there and capturing them and bringing them in, submitting them to very heavy fines and so on.

I am not saying that we would have to be as aggressive as Peru or that we would have to go as far as they have gone. But we can go - there is a happy medium that can be reached that would protect our fishing stocks.

Now, Mr. Speaker, I would like to mention another basic principle of international law. That is that regardless of whether there is a specific rule of international law that says that a country can do this or do that, there is one basic assumption on which all international law is founded. That is that any nation is entitled to do that which is necessary for its survival. Any nation is entitled to take the action necessary to protect its own existence, its own survival. I would submit, Mr. Speaker, that although the fishery may not have too much importance in central Canada, that I can tell the Department of External Affairs, the federal government, that it is a matter of survival for us here in this Province. It is a matter of survival for the other Atlantic Provinces and I would submit also probably for British Columbia, that we continue to have a strong, viable fishery.

This, Mr. Speaker, if it has not reached the stage where it is a matter of survival, this is another reason why I submit that Canada's unilateral action would rapidly gain acceptance by other nations, because they realize that

Canada, with an immense Coastline on both Coasts, with a very important fishing industry, has no choice but to take unilateral action if it cannot by any other means gain protection of this very basic resource.

Now, Mr. LeBlanc is quoted in the paper today as making a very significant statement. He is quoted as saying that he is aware that some countries have deliberately violated international fishing agreements. Canada is aware that certain nations that have entered into agreements with Canada have violated those. Now, I ask what action has the Federal Government taken in recognition of this fact? What has the Federal Government done about it? I am not aware of anything. I notice that it is only in the last few days while the ICNAF conference was on they had even deemed it necessary to mention this and press publicly. I think that this is ridiculous. If Canada believes that it cannot afford to take unilateral action, that it must resort to treaties or agreements, and then in the same breath says that well, the agreements we already have are being ignored by other nations, Mr. Speaker, it does not make sense to me then to continue to rely on the same method of agreement that has been carried out in the past.

If nothing else, Mr. Speaker, better surveillance, better enforcement of the agreements that we now have is long overdue. Another fact that is brought out by the Minister of Fisheries, and I heard an American expert confirming it the other day, and that is even with respect to the existing agreements setting certain quotas they are meaningless, even if there was not these deliberate violations, they are meaningless because all they are counting is the catch that they actually keep and process. They are not counting what the American expert indicated was probably half their total catch that they are throwing over the side. What is it they call it - the by-catch, the by-catch. This American expert, who seemed to know what he was talking about, said that in his opinion as much again was being thrown away as was being kept, that they are only

recording half the catch and the quotas are being set on the basis of what is being reported as cod.

MR. MURPHY: Why would it be thrown away then?

MR. BARRY: It is being thrown away because you may have a factory ship that is set up to process cod and if it gets flounder or another species is not interested in processing it or may be not capable of processing it, so it is over the side with it.

MR. NEARY: All of them.

MR. BARRY: Small fish and so on. If you look at it in what this expert referred to as bio-mass terms, the total amount of fish whether by weight or volume caught, only one-half is being reported. So the quotas are meaningless. They are based on the wrong information.

So, Mr. Speaker, to deal with this problem of declining catches, a problem which is of very great concern to our inshore fishermen as indicated by this Select Committee Report, it is time for the Federal Government to act and to act decisely, not to be afraid of some country engaging in a confrontation with it. If, as I said, it is afraid of being bullied, then appeal for the protection of the United Nations.

The other item that I would like to refer to with respect to this declining catch is the issue of gill nets, the monofilament nylon or other synthetic material gill net, that is lost and according to some fishermen continues to catch fish, continues to fill up and then the fish decompose and then it fills up again. It is what they call ghost nets in certain places around the Province, a very evocative phrase, I think, the ghost net. You can picture all these nets out there looking around the beach, just continuing to catch fish. Now, there is some dispute as to whether this is what actually happens. Some fishermen say that these nets very quickly, after one catch or two catches become fouled and entangled and so on, that they do not continue to catch. But this appears to me to be

an area where research should give the answer very quickly and I think it is another indication of the abysmal failure of the federal government to live up to its responsibilities to have the proper and adequate research carried out, so that we can make decisions.

How can we make decisions if we do not have the basic data on which to base them? And the federal research not only in this area but in other areas has been abysmal. Terrible! Shocking! Shameful! Mr. Speaker, there are many other points I could advert to in the report but there will be other speakers in the debate. I would like to say that I am glad to see the reference to the concern of the Placentia Bay fishermen for the interference with tankers in Placentia Bay, the dangers that are caused the inshore fishermen in crossing the routes of these tankers, the need for navigational aids being supplied to the fishermen. And I would like to say how much I appreciate, and I know the fishermen appreciate it, the fact that the honourable Minister of Fisheries, one of the first steps he took on undertaking his new portfolio was to go out and meet with the fishermen of Placentia Bay, to discuss this problem and to give them certain commitments with respect to government support for the supplying of navigational aids and also for researching any legal case they may have with respect to interference by the refinery operations.

One other final point, Mr. Speaker, that I think we have to be concerned about and this deals with the point that the fishermen are very concerned obviously about the problems in marketing and the low prices that they are receiving and I think the Select Committee very properly pointed out the need for adequate quality control. I think there is a statement here in the report that in many cases it is not that markets for fish generally has declined but that markets for Newfoundland fish has declined and they attribute this to some deterioration in the quality of our fish over the years and I think this is an area again where very positive action can and must be taken.

Now, Mr. Speaker, I would like, as I am sure all members will express my appreciation for the hard work that went into this report and to say that I know our government will give it very, very serious consideration.

MR. MURPHY: Very good "Leo".

MR. SPEAKER (STAGG): The Member for St. Barbe North.

MR. ROWE: Mr. Speaker, I would like to add my congratulations and sincere thanks to the Select Committee on the Inshore Fisheries and I do that, Sir, for a special reason because at one stage of the game during proceedings of the hearings that were being held I was misunderstood and criticized, but possibly misunderstood, for a statement I had made with respect to the Select Committee.

I think the general interpretation of the statement that I had made was that the Select Committee hearing procedures were a waste of time and money on the part of this administration. Sir, that was not the message or the interpretation I certainly meant to leave with this House of Assembly or the committee members or the fishermen or the people of Newfoundland and Labrador.

Sir, one only has to look through this Committee Report and see that there is a great deal of data and information and statistics and policy recommendations affecting as well the federal domain and then action recommendations following that.

But, Sir, the statistics and the data contained in this report is a monumental achievement in itself. It is one of these cases, Sir, where there is not one single thing new, not a single thing new in this Select Committee Report, a piece of data new that we all did not have some idea of, or some knowledge of. Certainly the fishermen knew about it and anybody representing fishing districts and anybody concerned with the fisheries of Newfoundland knew the sorts of things that is contained in this Report. But it is refreshing, Sir, and it is good to see it documented black on white, because at least when you got this data and this information, these recommendations

in black and white, hopefully there will be some action on the part of the various authorities to try to rectify the problems that are facing the fisheries today. So, Sir, what I did say was this, and I will repeat it, that the setting up of a Select Committee on the fisheries could be looked at as good public relations, getting government, getting government members, officials to meet with the fishermen in their own areas. It is a pity that the areas were limited, Sir, but time was of the essence.

But the point is this, Sir. If you look at the various high levels of negotiations, and conventions and conferences that have been held, and hearings that have been held, we all have the same answer, the same result, whether you are talking about the Law of the Sea Conference or ICNAF or this select, our own little provincial Select Committee, whether you are talking about these three levels, there is one common denominator, Sir. There are two common denominators really. The problems are the same. The problems are the same. The same problems that have been brought forth by this Committee Report are the same types of problems as relate to Canada, as you would have brought up at the Law of the Sea Conference or with ICNAF. Now, there might be different mechanisms, different authorities that you would have to deal with in rectifying the problem but the problems are the same whether you are in Geneva or whether you are in Scotland or whether you are here in Newfoundland.

Unfortunately, Sir - and I think we are in total agreement on this - unfortunately the results have been the same. What are the results? The results have been very little activity on the part of either international, national, Canadian national or provincial domains, very little action in these three domains to protect one of our vital and most valuable natural resources, and that of course is the resource as contained in the Continental Shelf off our coast.

So, Sir, this is what I meant when I had a certain skeptical view, and it might have been interpreted as a certain negative view towards the action of the, and the whole concept of a Select Committee. Very valuable information and recommendations we have gotten, good

relations, good liaison with the fishermen and the people involved, but, Sir, my skepticism - certainly one that was not cynicism - but my skepticism was that the results would be the same as the results that we have gotten from the Law of the Sea Conference and the ICNAF situation.

Sir, the provincial government that sits here today and the Liberal Opposition that sits here today see eye to eye on the problems that exist and what actions should be taken in order to resolve these problems. Sir, any attempt - every now and then, Sir, this present administration takes advantage of a situation to criticize and condemn the federal government. It is a part of their overall strategy, Sir, in running up to the next provincial election - slap the federal government whenever they get a chance and this also involves the fisheries. But, Sir, the honourable member did not go overboard today, the honourable Minister of Mines and Energy, but he took a half-hearted slap at the federal boys in Ottawa and criticized them for the lack of action.

Sir, this problem has existed with us for a great number of years. I might remind honourable gentlemen opposite that in criticizing a federal government we have to criticize two parties, the Liberal Party and the Progressive Conservative Party because we did have a Diefenbaker era when we did have this same problem. It probably did not have the publicity. It did not have the publicity then that it has now because our natural resources, Sir, whether terrestrial or aquatic;

were considered, were taken for granted by, I think, a lot of people. The average red-blooded Newfoundlander took our terrestrial and our aquatic resources for granted. They existed. The forests exist, the minerals exist, the fresh water exists, the resources of the sea, the crustaceans and the other fish existed and there was an abundance thereof. And consequently then we had, of course, this environmental, no, well the emphasis on in control of the environment and control and ownership and the conservation of our natural resources whether they be on the land or in the sea. And it is at this point in time that so much consideration is being given to this particular problem.

So, Sir, I can only say that the present administration and the present Liberal Opposition in this House of Assembly see eye to eye on going after Ottawa with the greatest of strength and the grace of unity to try to get them to take unilateral action. Now I realize that MacEachen is not incorrect when he says that this could involve serious confrontation if Canada acts, takes unilateral action. I do not think that MacEachen says that it is not possible, as the minister indicated. It is not possible to take unilateral action, it is impossible - the minister did not say that. He says that immediate action, immediate unilateral action would probably cause serious confrontations with other nations of the world. Well, Sir, I am almost attempted to say be danged -

AN HON. MEMBER: Hear! Hear!

MR. F. ROWE: - with serious confrontations. Let us try it out first.

MR. CROSBIE: It is time it happened.

MR. F. ROWE: If we are going to - let us see if the risk is involved.

MR. CROSBIE: Lay on there, boy! Lay on!

MR. F. ROWE: I must be going right up the garden path on this one, Sir, to get the approval of the Minister of Fisheries. I must be going right up the garden path and I expect to get clobbered this afternoon.

MR. ROBERTS: By your own leader.

MR. F. ROWE: By my own leader. By the federal government or my own leader when the minister nods his approval in such an enthusiastic manner.

MR. COLLINS: Come over here and sit down!

MR. R. ROWE: But, Sir, - no, we are in total agreement! There is no difference between this side and that side of the House, Mr. Speaker, on the problem and on the solution to the problem. We are as outspoken and as interested in getting the federal government to act on this issue as is the present administration. What we do not do for obvious reasons is try to get a bit of political mileage out of it because we will be attacking our own party, you know, our own international party, our own federal party, whereas the boys opposite, the honourable boys opposite, Sir, can lash away at the federal government because they are Liberal. I would love, Sir, to see them lashing away if the Hon. Mr. Stanfield was the Leader of the government. I wonder what the honourable minister and honourable gentlemen opposite will be saying at this stage of the game? But, Sir, we are united in spirit, in actions, and in sincerity in trying to get the federal government to move more quickly and firmly in gaining ownership and control over the Continental Shelf of Canada, Not just Newfoundland, it is of Canada.

And, Sir, I would go so far as to say, what do we mean by confrontation, Somebody in Russia is going to get upset, someone in Japan is going to get upset, somebody in China is going to get upset? If that is confrontation let them get upset!

MR. COLLINS: They are upset anyway.

MR. F. ROWE: They are upset anyway. If they are going to come over with a fleet of bombers, Sir,

- that is a very big "if" - if confrontation means war, I would suggest as the minister related too, there is such a thing as the United Nations, and I cannot quite see the Third World War starting as a result of us taking unilateral action over the Continental Shelf.

MR. MURPHY: The Battle of Plum Point.

MR. ROWE: The Battle of Plum Point the honourable Member from St. John's Centre was so familiar with the Straits of Belle Isle suggests. I think a famous quote, Sir, to Captain Josh O'Driscoll - I should not bring it up, I suppose - when he was talking to the P.M. on an open line television programme once when Captain O'Driscoll asking for an armed forces base in Newfoundland, the Prime Minister replied that he did not think that in the Third World War the army would be landing on the shores of Come By Chance.

MR. BARRY: Ironically, you know, that is a very strategic place now.

MR. ROWE: I say that for a reason obviously, and the minister is obviously thinking along the same lines. We have, Sir, the Stephenville Air Base. We have the Gander Air Base. We have, well we will call it Torbay Airport. We have the Argentia area and now we are going to presumably have the Goose Bay complex within a year or, yes within a year.

MR. BARRY: Call up China and see if they would not be interested in them.

MR. ROWE: Right. I am suggesting, Sir, that as far as surveillance is concerned that we got sitting on our very shores the basis of operation for proper surveillance. It is inexcusable that any government, federal or provincial, Liberal or P.C., can suggest and admit that there are known violations of agreements, and for people to suggest, as did Mr. Carter, I believe, Mr. Carter described as ridiculous and impossible Canada's demand that member nations in the International Convention of the Northwest Atlantic Fisheries, ICNAF, reduce their fishing effort outside Canada's twelve mile limit to forty per cent.

Mr. Carter, the Federal Member for St. John's West has said that it is ridiculous and impossible for Canada to control, set up controls in order to reduce by forty per cent the catch by member nations of ICNAF outside the twelve mile limit.

I say, Sir, that statement is in itself ridiculous. It is possible. We do have an armed force here in Canada. We do have an armed force. We have aircraft and we have naval ships. We got a base in Halifax. We could have a base anywhere in Newfoundland, in any one of the bays, as a base of operation for naval ships for purposes of surveillance. We are going to have Goose. We got Argentia. We got Stephenville. I suggest, Sir, that the federal government can set in a proper surveillance system in order to control foreign countries from depleting our fish stocks according to the ICNAF suggestion of reduction by forty per cent outside the twelve mile limit. I do not think that suggestion is impossible. That is not the most desirable solution. But control and surveillance by the extent of forty per cent outside the twelve mile limit, for whatever area that includes, is better than nothing. And I suggest that one of the first priorities of the present administration should be to get in contact with Ottawa, particularly in view of yesterday's tragic announcement which, by the way, is not quite so tragic after all if you look into it. There is a heavy loss of jobs. There is a very heavy loss of jobs. That is very tragic. But what can be done with these facilities may turn out to be in the best interest of this province in the long run, because there are going to be a certain number of facilities left.

There are airstrips all over the place. Now, let us get on our boots, let us get up to Ottawa and let us bang into those stunned bureaucrats up there because it is obvious that we have them - any Minister of External Affairs who is unaware of an agreement of the Americans to pull out within a year from a major installation up in Goose Bay, who is unaware of that because some clot is sitting up there on a desk or in a desk and does not make the minister aware of that situation should be sent to Goose Bay as the next mayor, I suppose.

MR. PECKFORD: Sent to Saudi Arabia.

MR. F. ROWE: Or sent to Saudi Arabia or sent somewhere, put in an open dory and sent out in the Straits of Belle Isle or something. I am getting carried away with that particular point. But, everybody knew, Sir, the provincial government knew, the Liberal Opposition knew, the federal government knew that the lease was going to terminate in June. And every man and woman and child in the area knew, I suppose. So it is not the great shock that people are suggesting. You know, honourable members opposite can try to get some political advantage out of it, but instead of getting political advantage out of it, let us go after Ottawa now and say, "Look! Here is a base. Here is the great, hundred mile Lake Melville. Here is Argentia. Here is, you know, other bases throughout the Province. Let us set up a proper naval and aircraft surveillance system so that we can at least take care of the situation that came out of the ICNAF Conference, forty per cent reduction." And besides that, Sir, let us all unite together, all Newfoundlanders together and go after Ottawa for unilateral action on the imposition of the 200 mile limit and/or the extension of the Continental Shelf, whichever is greater and find out what kind of a confrontation we are going to get.

If we are going to get a squeak from Russia, we will squeak back. If we get a bomb from Russia - I do not know if we can give a bomb back, but I think that is a little bit outside of the realm of possibility. There is no war. There is no war.

MR. COLLINS: We can set the water bombers on them.

MR. F. ROWE: We can drop St.

Pierre alkie on them if necessary. But, there is not going to be a war, Sir, over this. There is not going to be - I do not think we are going to have gunboat diplomacy over this. I think it will be just a case of Canada taking a very strong stand.

I think, Sir, Canada is a little bit sensitive about its position in the world, the peace nation of the world.

MR. PECKFORD: A myth.

MR. F. ROWE: The - oh no, no myth. It is the - Canada is the peace nation of the world. It is the negotiator of the world, the arbitrator - you know, when you get confrontations between nations, usually Canada is somewhere in between. They are not sitting on the fence now, but the buffer. I think Canada is very sensitive of its important buffer role, or peace role in this world. They would want to be the last nation in this world to be accused of gunboat diplomacy, for instance.

But, unilateral action is not gunboat diplomacy. Unilateral action, Sir, is preserving the rightful heritage of this nation. That is point number one. But unilateral action is not only preserving the nation of Canada's rights to these offshore mineral and oil, gas, fisheries - the biological aspect of it - rights. It is also really protecting the world because if we do have over fishing on - and the honourable Minister of Mines and Energy mentioned that the quota system that is being used, the formula that is being used, you know, the catch, not counting what is being dumped overboard, is ridiculous. This is evidence that the imposition of a 200 mile limit and proper surveillance and control by aircraft and naval vessels is not only in the best interests of Canada and Newfoundland but also in the best nations'

of the globe because if you read any of the authorities on pollution and conservation and environment as far as the sea is concerned, this globe is in danger as far as pollution is concerned and as far as overfishing or lack of conservation.

So, Sir, it is as simple as that. I would like to go on record as congratulating the Committee for doing an excellent job, an excellent job. However, I would like to go on record as also suggesting that the Report of this Committee will suffer the same fate possibly, have the same hazards, have the same difficulties as more major attempts to solve this problem, namely the Law of the Sea Conference and ICNAF and the Newfoundland Fishermen Food and Allied Workers Association, the industry, the Minister of Fisheries, the provincial government, the federal government. You know we all got the same problems, we are all going to have the same problems with these problems.

I say the time has come for all political elements in Newfoundland to impress upon Ottawa the importance of establishing this 200 mile limit without hesitation and let us take confrontation on the cheek and fight back. Because, Sir, it is significant that the honourable Minister of Justice and the honourable Minister of Fisheries when they spoke a few weeks ago on this, and I noted this down, no quotes, but they both endorsed, they both endorse the actions of the federal government to this date.

Now why would both ministers actually endorse the federal government on actions to that date? Because both ministers, being responsible men, recognized and realized the difficulties with respect to old and existing treaties between nations. They have been at the Law of the Sea Conference, and I am no expert on it, but they have seen the problems. They have talked with the people with whom they have to deal and some of them I would suggest are quite unreasonable. But they did agree and endorse the actions of the federal government to date.

Now I would suggest that we should all disagree with the actions

of the federal government if they do not indicate that they are willing to take unilateral action on the establishment of the 200 mile limit, not only to preserve the welfare of the nation and this province but in fact that of the globe as a whole.

Now, Sir, I think I have practically said everything that I wanted to say - 200 mile limit, confrontation, violation, right! I do not know if the honourable Minister of Fisheries was in the House at the time but I would like to re-emphasize that with the Stephenville situation and the Argentinia situation and now with the pending Goose Bay situation and with our multitude of harbours and bays in this province there is no reason why the whole East Coast cannot be properly, a proper surveillance could not be set up and controls set up by bases of operation established in Newfoundland and Labrador. We got a magnificent opportunity at our doorsteps, particularly with the Goose Bay situation that can be converted from a tragic situation into one that could help the nation as a whole, You know, obviously more will be done but I think consideration should be given to Goose, Argentinia and Stephenville being used as bases of operation in our various bays. And let us get on with the job. Let us impress upon the federal government the need for this unilateral action and let us test out the nations of the world and see what kind of confrontations we are going to get. If we are going to get verbal confrontations, great, so what? Carry on. If we are going to get nuclear confrontations obviously the -

MR. CROSBIE: You would have to think twice.

MR. F. ROWE: Yes. We would give it serious consideration, you know, before going out there, Sir. So we are all together on this, Sir, There is no political advantage to be gained by either side, and I sincerely hope that the present administration will not avail themselves of this opportunity to get a few more cracks at the boys up in Ottawa because we, you know, they should have taken a few cracks at poor old Dief when he was in charge. And they better not crack too hard, Sir, because it is conceivable, it is unlikely, but it is conceivable, I suppose it is possible, improbable, but possible that in the next federal election the Progressive Conservatives under this great Lougheed could sneak into power, sweep her, as the Hon. Member from Burgeo suggests, Sir -

MR. EVANS: Fishery problems would be solved overnight.

MR. F. ROWE: - and if this problem has not been resolved by then, Sir, I am wondering what kind of slapping this administration will be doing then. Of course, Sir, that would be highly improbable as well because at that stage of the game they may not be the administration.

MR. EVANS: Fat chance!

MR. SPEAKER: Order, please!

MR. F. ROWE: So, Sir, ending on that jovial note I just wish to say that it is a good report. We are altogether on that and I am sincere in suggesting that we should get together boots and all and hammer away at the federal government in a responsible manner and try to get them to impose that 200 mile limit without any further delay.

MR. SPEAKER: The Hon. Member for Bonavista South.

MR. J. MORGAN: Mr. Speaker, I am surprised that so far in this debate the actual meat of the report itself has not been dealt with - and I am referring to the recommendations - and maybe I am not the right member of the House to stand and comment at all on the report, being a member of the committee who drew up the report, so I cannot comment on whether it is a good report or a bad report. But I will

have to, I feel compelled to make a number of comments with regards to the recommendations and with regards to the problems that we encountered while gathering information around the Province. When I say compelled, I feel compelled because my district is depending primarily on the fishing industry. And I would not be doing my duty to my district if I did not say a few words, and maybe not too passionate a speech but a few words to elaborate the points made in the report and to comment on what I feel was the role of the members of the committee, the Select Committee of the House of Assembly who drew up that report.

Mr. Speaker, the report has now being tabled in the House of Assembly. It has been tabled after extensive work over a short period of time. And I am going to begin my few remarks by saying that I feel that my obligation has just begun despite the fact that the rules of the House, I think, point out quite clearly that when a Select Committee of the House is appointed to make a report, once that report is made that Committee is no longer standing. But I feel that my obligation to the fishermen that I saw around the Province, my main obligation as a member of this House of Assembly, as a member of that Committee is to do everything possible in my power to make sure that the recommendations of that report are carried out. And in doing so it means that I am going to have to put whatever pressure I can on this government, the government of which I am a member as a backbencher, because I feel that the efforts of a backbencher or any member of this Legislature in dealing with the federal government is going to be very ineffective.

The federal jurisdiction is the question that I will deal with at the end of my speech.

But, Mr. Speaker, in travelling around the Province we started off in St. John's and went out to Carbonear and Placentia, Harbour Breton, Marystown, Port aux Basques, Plum Point, Port au Choix, Forteau on the Labrador Coast, Bonavista, Twillingate, Wesleyville, Fogo. I cannot forget the faces of these fishermen. It might sound like a rather passionate type speech I am going to make today, but I cannot forget these fishermen that I saw at these meetings. I am sure when the chairman of our Committee, when he speaks in this debate will relay my feelings as well because his feelings are basically the same as mine, I am sure of that, in fact, all members of the Committee. Because the mood of the fishermen was one when we met them and first talked to them, and they saw us coming out as politicians, was one of complete frustration. They were frustrated, did not know where to turn to, did not know what to do.

They were humble men, humble men who maybe over the past number of years should have been more militant, militant in trying to get something done to overcome a crisis in the industry they were trying to make a livelihood from. At the first few meetings it seemed that the fishermen were very hesitant in coming forward and giving us their views. Maybe not only hesitant but also they were sort of indicating, well, what is the use. We have told these stories before. We have seen report after report being made on the fisheries over and over and over. I read a report which was made in 1953, a very, very thick report on the fisheries. Another one was made in 1965, a very comprehensive report on the fisheries. The fishermen saw these reports and they saw that no action was taken.

So it was not the fact that they were hesitant in being humble, shy type individuals in not coming forward making their views known to us as a committee of the House of Assembly, but they were of the opinion it was useless. But, after two or three meetings, Mr. Speaker, I am sure every member of the Committee, the Member for Bay de Verde and the Member for Harbour Grace and Port de Grave who is in the House today, they saw what I saw. They

saw the fishermen suddenly begin to build up hope, that these fellows were not a Government committee, they were not a Royal Commission. They saw us as members of the Newfoundland Legislature and they began to build up the hope, "If anything can be done for us, these are the people who can do something for us. They are the people who represent the people of the Province. They are the people who represent us, not a Government committee, not a partisan committee but a Committee of all the parties in the House of Assembly."

As the chairman opened each meeting he stressed this point to them of what we were and what we hoped and wanted to do. After two or three meetings the fishermen started to spill out their guts to us, to give us all their problems, talked openly to us - they are our problems. Each meeting after the first two or three they looked forward in these communities to our Committee coming into their areas to give them the opportunity to have a say, have a say in what they think should be done for the fisheries.

We heard comments like, "We are counting on you fellows. You are our last hope. If you fellows do not do anything for us, we might as well lie down and forget it." Comments like that coming from the fishermen at our meetings. I recall one meeting which I think hit home to us all more so than others. It was in Port aux Basques. It was on a sort of a rainy afternoon and the hall where the meeting was held was filled and people kept coming to the doors to come in and they could not get in. Every chair was filled and standing room was filled. Here was a group of humble, hard working, husky type fishermen who came in there and sat first of all quietly and listened and then very quietly came forward and gave us the views of

men of desperation, men of desperation. They were pleading with us, "For God's sake do something for us. This is our only way of livelihood. We have nothing else to look forward to, nothing to count on. Do not let us down - these kind of comments. That is the reason, Mr. Speaker, after we got the mood of the fishermen, after we saw them, how genuinely, sincerely they were in counting on us, I think the role of our Committee is far from over. Each and every member of the Committee must be a watchdog. I believe in those recommendations in this report and every member of the Committee believes in them the same as I do. Things can be done to help these fishermen, to help the fishing industry.

It is useless to take this report and table it in this House and in six months time it is still tabled somewhere, and in six months time the recommendations made not acted on. Mr. Speaker, here is one member of the House of Assembly, as a member of that Committee, who is not going to tolerate inaction on this report. I am not going to tolerate inaction from my own government. I am going to be continuously, if I have to be, outspoken in the House of Assembly, and outspoken outside the House of Assembly. I know the fishermen are counting on us. I would not have the nerve to go back to Port aux Basques, whether it be two years or three years, or to go to Carbonear or Bonavista or Wesleyville or Fogo or Twillingate or Forteau on the Labrador Coast, I would not have the nerve to go back there and have a fisherman ask me, "Were you not one of the fellows who came in here in 1975 begging us for information on the fisheries and asking what we wanted done as fishermen? Were you not one of these men?" And I would have to say, "Yes." I would not have the nerve to do it, Mr. Speaker, without saying to them, "Look, here is what was done as a result of our report and of our work." None of us went through hardship like they did. We did go through hardship in travelling on the Labrador and the Northwest Coast. None of us, we were not getting paid for doing it. We were

doing a job we all believed in, doing a job for the fishermen, to help the fishermen of this Province and to help the fishing industry.

All of us, I am sure I speak for all of us, are not going to tolerate anything but action on this report. Now, so the report is made, the recommendations are made and now we need action. There is no point in any member of this Assembly standing up and saying that, "Oh, we must demand this from the Federal Government, we must demand that of the Federal Government." Sure, we all know that. That was known prior to our report.

Mr. Speaker, there are a number of recommendations in this report that do not need any federal involvement at all. I want to deal with these first because I feel that the onus is on the Provincial Government to take action and action immediately on the recommendations that are strictly under the domain at the provincial level of government.

Mr. Speaker, some of the recommendations might look like minor recommendations, unimportant recommendations. They were not mentioned by any speaker, I do not think, to date. Like, for example, the very simple little request made by a committee who heard the views of the fishermen, a simple little request like this one, and the honourable Member from Harbour Grace will know what I am talking about because he was quite adamant on this one himself, "To amend existing regulations to insure that fishermen are given priority in the sale by tender of all boats repossessed by the Fisheries Loan Board." Meeting after meeting we heard stories of fishermen who had their boats repossessed and he saw some businessmen in their community end up with their boat using it for pleasure, a pleasure craft. A man who spent his lifetime putting all his earnings in savings into a boat and finally he found himself in a bad situation, a bad year and he ended up losing his boat. The boat was repossessed.

Under

the present regulations of the Loan Board if the boat is more than five years old, tenders are called and that boat does not have to go back into the fishing industry. The regulations state if it is repossessed and tendered within a five year period, that boat must be still used in the fishery. Many boats more than five years old in the Province are repossessed. Fishermen, many fishermen who see these advertisements in the paper about a boat that is repossessed and now tenders being called for it, they make bids for these boats but because they have not got the funds or the financing that a businessman in the same community has or a merchant or even a travelling tourist - it has happened as well - can come in and bid on that boat and get it because he has more financial means and the fishermen see a boat that was prosecuting the fishery last year now being used as a pleasure craft.

That is one little regulation that can be changed overnight by the provincial government. To tie into the same kind of a regulation the recommendation points out as well, the part of the same recommendation, to require that any vessels in the future, any vessels constructed by provincial institutions such as, for example, the Fisheries College and the vocational training schools under any training scheme, whether it be Canada Manpower or under the Fisheries programme provincially or what, no matter what they may be, that these boats be first of all designed for effective use in the fishery and, number two, to be sold to fishermen on a priority basis.

During our Committee meetings we had a situation, I think it was out in Upper Island Cove. I think it was, a situation where a man was trying to get a boat from the College of Fisheries and he lost that boat by bid because one of the instructors, one of the instructors at that school outbid him and took the boat for what purpose we do not know. It was not for fishing. But a fisherman who wanted a boat because he was not given priority on his bid - the other man had bid a few dollars more than he did who happened to be an instructor at the same school that built the boat, got the boat. That kind of thing can be prevented in the future by means of

changing a simple little regulator.

These might seem like minor recommendations but they are important to the fishermen. So, if they are important to the fishermen they are important to this Report. Mr. Speaker, one of the recommendations that was not mentioned by the other speakers today here, one which we heard continuously over and over and over at meetings, one of the major complaints was the cost of gear. In the Report the recommendation states that in the future that government take immediate steps - we are talking in this case about provincial government, at least I am. I am sure the Report does not specify provincial or federal but in this case the provincial government can take the action, take immediate steps for the wholesale purchase at cost from the manufacturers of all major pieces of fishing gear provided of course that the retail distribution of such gear will be accomplished through a collective agency of the fishermen themselves.

In other words what we are saying there is that, let the government go out and purchase the gear at cost from the manufacturers and get rid of the profiteering that is now going on by some of the suppliers of gear. I am convinced - maybe there are members in this House of Assembly who are not convinced - I am convinced that profiteering is going on in the supply of fishing gear in this Province. A report was made, we refer to that report in our Report made by a group of professors at the university, I think, our university. Maybe I can find the report and refer to it. That report to me was, and I repeat, I repeat it twice, a lot of hogwash. The report did not have extensive research. The report did not do a deep enough study to determine if there is profiteering in the supply of fishing gear, if the supply of fishing gear to the fishermen in this Province - if the prices are boosted up simply for the sake of profits going into the supplier.

The report I am referring to is a study of gear prices and gear bank feasibility by Messrs. Hanson, Poynter and Sexty of the university here in St. John's, Memorial University, and our Report also says, our study here says that the Committee does not agree with the depth of the study nor with all the conclusions contained therein of this report with regards to the price of fishing gear. I personally think that, like I said, the report was not, there was not enough research work done and I am convinced as a member of the Legislature, as a member of the Committee, that there is outright profiteering in the supply of fishing gear and it must be stopped in future because the fishermen are being ripped off, number one, and number two, the government is being ripped off. When I say the government is being ripped off I will explain how and why.

MR. CROSBIE: Give us some proof on where the profiteering was.

MR. MORGAN: For example, the supply of gear to John Leckie - and I documented these cases last year when I tried to get an investigation under The Combines Investigation Act of Canada. The cases I had shown and documented were this. The supply from the manufacture of the gear to John Leckie had gone up by ten per cent whereas the same gear supplied to the fishermen had gone up sixty-five per cent. I think these were the figures at that time. So the cost of the gear of Mr. Leckie or John Leckie and Son Limited, the supply of gear locally in Newfoundland, the largest supplier anyway, the fishermen of Bonavista Bay buy their supplies from him, The cost to him has not gone up more than ten per cent but the cost to the fishermen has increased by sixty-five per cent and the question mark in my mind is, why? So I have requested the federal government to look at the matter through The Combines Investigation Act, mainly to look at the lack of competition and if there was a conspiracy to fix these prices, not only a conspiracy to fix prices but also to eliminate competition because the same supplier bought out a number of local suppliers. He bought out one supplier the year before last who was supplying gear to the fishermen of Bonavista Bay.

So there is profiteering in my view with regards to the supply of fishing gear and I said the fishermen are being ripped off and the government are being ripped off because in the second case whenever the government increase their subsidy on fishing gear the price of the gear went up accordingly. So the question mark was why.

Mr. Speaker, I now adjourn the debate until this afternoon.

MR. SPEAKER: It has been noted the honourable Member for Bonavista South has adjourned the debate, and I do now leave the Chair until three o'clock this afternoon.

The House resumed at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please! Before we proceed I would just like to say that under The Parliamentary Commissioner (Ombudsman) Act the Speaker or the Clerk has to swear in the gentleman who has that position, and I would just like to inform all members of the Legislature that I today have sworn in Mr. Ambrose Hubert Peddle as the Ombudsman.

The Hon. Minister of Fisheries.

MR. CROSSBIE: With the consent of the House the Minister of Municipal Affairs would just like to make a statement,

MR. SPEAKER: By leave, agreed? Agreed.

The Hon. Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, I just want to pass along to the Opposition and table in the House formally and have circulated to the Opposition the press release and a copy of the projects that will be undertaken by the Department of Municipal Affairs and Housing this year. In line with my press release this morning to the media, it is indicating, of course, as usual, that this is the largest programme ever undertaken by a provincial government in this field. So I hereby table it for the benefit of the Opposition members.

MR. MURPHY: How much money is involved.

MR. PECKFORD: Only \$28 million.

MR. MURPHY: How many communities?

MR. PECKFORD: Oh, eighty-five to ninety.

MR. MURPHY: How many people?

MR. PECKFORD: Thousands!

MR. SPEAKER: Order, please! When we adjourned for lunch at one of the clock the Hon. Member for Bonavista South was speaking to the motion re the Select Committee, and I recognize the Hon. Member for Bonavista South.

MR. MORGAN: Thank you, Mr. Speaker.

Mr. Speaker, prior to breaking for lunch I was speaking on the recommendations mainly affecting the provincial government, and I outlined in coming to these recommendations our travels around the Province and the views of the fishermen. And I am again going to stress the importance that this report is mainly the accumulation of ideas and viewpoints put forward by the fishermen. And, I think, it is the first time in the history of this Province where reports and recommendations regarding policy on the fishing industry have ever been made by means of accumulating the ideas of the fishermen.

So this report is not really the viewpoints of the members of the Committee, it is the viewpoints and ideas of the fishermen taking part in the industry around the Province. Now I stressed this morning that as members of this Committee our obligation did not end by means of tabling this report in the House of Assembly. Our obligation is now, more so than ever before, because our obligation now to the fishermen that we heard from is to make sure the recommendations are acted on by both governments. And I stress the importance of not laying emphasis on the federal government only, and saying that the federal government must do this and do that, but I stress as a backbencher in my own government there must be action taken from the provincial level.

And I was on one specific recommendation dealing with the purchase of fishing gear, wholesale purchase of fishing gear by the government from the manufacturer to eliminate what I termed this morning as profiteering on the part of the local suppliers in this Province. I did not elaborate too much on the recommendation but I will now. The recommendation that we are taking about is to not to go out and buy the gear and to be responsible for this gear being distributed to the fishermen around the Province, but just to have a depot say, for example, in St. John's or it could be in Bonavista or it could be out in Gander, at some central point so the fishermen could come and pick up the gear from that depot and look after the distribution of the gear themselves.

but that would eliminate what is now taking place in the Province where we have little or no competition supply of fishing gear. We have one major supplier, and because of the lack of competition the prices have been increasing over the years, and as the government subsidy increases on one hand, the price of gear to the fishermen increases on the other. This means that, as I said this morning, that the companies concerned are ripping off the fishermen on one hand and also the government on the other. This must be stopped. Our firm recommendation is that in the future government purchase the gear at wholesale from the manufacturers of the fishing gear, the major pieces of gear, like gill nets, etc. or salmon nets or the webs of these nets and the major pieces of gear used by the fishermen, and that the fishermen themselves by means of organizing local committees, or the union could be involved in helping to organize these union committees or fishermen committees around the Province, and they would be involved in the distribution of the gear to the fishermen in the outports, and not the government involved in that end, just the purchase and have the gear available when the fishermen want it.

Now, that is a very important recommendation in my view, and it is a recommendation that can be acted on by this government, and not to depend on the federal government. So, I want to see that recommendation acted on immediately to prevent any further rip-off of the fishermen and indeed rip-off of the taxpayers of this Province.

Now, Mr. Speaker, one more important recommendation that can be also acted on by the provincial government, because it means really a saving to the government, and it is a saving but it is also a saving to the fishermen because it involves gill nets. Every meeting we attended around the Province there was some question mark by the fishermen as to the use of gill nets. In most areas they were opposed to the use of gill nets. In most areas of the Province they called them the curse of the fishery because they felt that they were being detrimental to the fishery, especially the fact that they are used without being regulated. For example, fishermen are using too many gill nets per boat and they cannot

attend to them, number one, and number two, because of the number of nets lost each year that these nets are continuously out fishing. They are fishing there - it is known as ghost fishing - and the fishermen want that stopped.

So, the recommendation - we did not come in with a recommendation saying abolish the use of the gill net in the Province because we firmly felt that we had no authority to do that, because in some areas of the Province the gill net is used extensively and only. If we abolish the use of the gill net, then the fishermen in many areas of the Province would no longer have a means of obtaining a livelihood. So, what we did say in our report is that the use of gill nets should be left in the hands of the fishermen by means of area councils. If, for example, in Bonavista Bay the fishermen do not want to use gill nets, they form an area council, make their views known to governments, plural, provincial and federal, and the gill nets would be banned in that area.

If they wanted to use gill nets, for example, over in the Fogo-Twillingate area and the Notre Dame Bay area, they could do the same thing there and express their views according to government. I was of the opinion as a member of the Committee - although I did not get the full support of the Committee on this issue - I was of the opinion that we should abolish all subsidies in the future on gill nets. Abolish them! No more subsidies on gill nets! Why should we, as a government, subsidize the detriment of the fisheries? If the fishermen felt the gill nets were being detrimental to the fisheries, why should we in the future continue to subsidize that detriment? I was of the opinion, and still am - that we should abolish completely all future subsidies, but because the Committee did not, all the members of the committee could not agree with that, there was a compromise. The compromise is that the subsidy on gill nets not be abolished immediately completely but be phased out over a reasonable period of time.

In other words, maybe in four or five years time there will no longer be any subsidy available for gill nets in this Province. This would mean that if a fisherman wants to use gill nets, he is going to have to pay the total cost himself.

And if any area of the province wants not to use gill nets they can form the area councils and make their views known and have regulations drawn up by the federal and provincial governments and prevent the use of same.

But on the other hand we are recommending that subsidies be increased and also be brought into effect on gear that now does not have subsidies. For example ring nets and purse seines and to be increased on trawls, and the reason why we are saying that is because the longliner when it was initially built, it was designed to use trawls, not to use gill nets, It was a trawler, to use hand lines, a longliner. That is the reason it is called a longliner, to use a trawl hand type catching of fish, not gill nets. So we are recommending that the subsidies be increased on the trawls and also be brought into effect on gear like ring nets and purse seines where they now do not exist.

Now that is a strictly provincial jurisdiction. There is no reason why the provincial government cannot bring into effect these two recommendations immediately. So so far we have three recommendations, Mr. Speaker, that can be acted on by this government. Number one was the purchase of gear, and number two regarding the use of gill nets and a subsidy on gill nets. Number four is maybe a minor recommendation but important to the fishermen-which can be acted on by the Provincial Minister of Fisheries and this government immediately-and that is to have loans made available to fishermen from the Loan Board for the purpose of buying fishing gear to help the fishermen become more diversified. In our travels we came across situations where fishermen had lots of gill nets, lots of salmon nets, lots of lobster traps but they did not have any gear to fish a species of fish that was teeming in the waters around our harbour, like for example-mackerel and herring.

Many of our meetings were like that where fishermen said, "Look there is lots of herring around, lots of mackerel, but we got no way of catching it. So our recommendation is that loans be made available from

the Loan Board of the provincial government for the purpose of helping the fishermen purchase gear, to become more diversified, and also to pay for the cost of modifying their boats. Because if you are going to use purse seines and ring nets, the longliner type boat has got to be modified and of course modification is costing money. So we are recommending that loans be made available from the provincial government for the purpose of making these modifications to the existing boats.

So, Mr. Speaker, we are also recommending, which is something the fishermen want done, and that is we are recommending that the provincial government take action immediately to retrieve the lost gill nets around the province, and while that might not sound like a very important recommendation but believe me the fishermen in certain areas of the province think it is very, very important. They feel that the fish is not getting to the inshore grounds mainly because of the gill nets that are lost in the offshore grounds or midwater grounds and are catching the fish before they even get into the inshore grounds - to no one's benefit. And they want these lost gill nets, known by the fishermen - they call them ghost nets - they want them retrieved and we are recommending that this be done.

So all these recommendations so far, and a few more to come, can be acted on by this government. For example, we are also recommending that the Saltfish Corporation, by means of an agreement with the provincial government - there is no need to go to the federal government at all. We now see action of this nature on the Northwest Coast of the Province where the Saltfish Corporation has entered into an agreement with the provincial government and they are arranging to collect the fish from the fishermen along the North West Coast, the species that they cannot find markets for, for example, like herring and mackerel and these kind of species, pickled products, pickled fish - and we are recommending that the provincial government in an agreement with the Saltfish Corporation arrange for that kind of an operation to be expanded not only to include the Northwest Coast but also the Northeast Coast and other areas

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of the province. And of course we are also recommending that the Saltfish Corporation expand their drying facilities and their accommodations to salt fish which we now do not have in many areas of the province.

And, Mr. Speaker, another recommendation and I will finish on the

provincial level - We recommended also that the Provincial Government increase the number of fieldmen they have in the provincial Department of Fisheries. We came across situations where fishermen were not aware, they had no understanding, there were no communications between them and the Provincial Government. They did not know what programmes were available. Of course, on the other hand, in many cases they did not know what was available either from the federal level. But at least in our recommendation we are overcoming the problem with regards to the Provincial Government. We are recommending that the provincial Department of Fisheries, that they make more fieldmen available around the Province so there can be communications between the provincial Department of Fisheries and the fishermen so they know what programmes are available and what assistance is available for them.

Now, these recommendations deal strictly with the Provincial Government. I have no hesitation in saying that I want action from this government on these recommendations. There is no need to procrastinate. There is no need to drag it out until next Fall or next Spring. We can get action now. I, as a member of the Committee, am looking forward to getting action on these what seem like minor recommendations but they are very major and important to the fishermen whose ideas we accepted in our travels around the Province.

Now, Mr. Speaker, so much for the provincial Government and what can be done. I am confident that the Minister of Fisheries is quite sympathetic to the problems of the industry at this time and I am confident that he will take the necessary steps to implement the recommendations of this report. If he does not do that he is going to not only let down members of the Committee, he is going to let down the fishermen of this Province. So, I have every confidence he will carry out these recommendations in the very near future. Now, so much for the provincial level of government.

Mr. Speaker, I think the most crucial issue ever to come forward in this Province is now upon us. When I pick up the morning paper, today even, and when I see statements made by the Federal Minister of External Affairs and I quote statements along these lines, and I quote him, "There will be serious confrontation if Canada acts," a quote from the honourable Allan MacEachen, Minister of External Affairs. Not only the honourable Mr. MacEachen but what really surprised me today and really let me down - because I had every faith and every confidence in the honourable Romeo LaBlanc, a Maritimer who has now been accepted in the ranks of the higher level of government in the Federal Cabinet. Although a junior member I had every confidence that he was going to be a fighter for the fishermen, that he would demand and keep on demanding that the Federal Cabinet do and take action and do something about the problem of depletion of our stocks - but today's quotation, "Unilateral action never works," Romeo LeBlanc, "Unilateral action never works," the honourable Romeo LeBlanc, Federal Minister of Fisheries. Mr. MacEachen again, "We think to take unilateral action would be against Canada's best interests."

Mr. Speaker, these kinds of statements coming at this time from the federal ministers are something that we are going to have to face in this Province in a manner we never faced any issue before. So we see the honourable Member from St. John's West going around the Province with a petition asking people to sign, sign, sign, sign - The Confederation Building, the different town councils, the government here have supported it. It is all over the Province. Everybody is signing, man, woman and child. We want unilateral action. Mr. Speaker, it means nothing. It is a useless effort. It is as useless as trying to get a petition to get every Newfoundlander to go to the moon next year. It means nothing. As long as we have got men like that in power in Ottawa who has got no concern for the fisheries - if they had any concern for the fisheries, now that we saw today, for example, ICNAF

is closing. ICNAF meetings in Scotland are closing after we had a delegation over there for the last ten days! Mr. LeBlanc did not go over there. Mr. MacEachen did not go over there. Our Minister of Fisheries went over there, but unfortunately he went there as an observer because he had no authority to go there as an official. He had no authority to go there and make representation

on behalf of our government, on behalf of our Province. He had no official position to go there. Naturally he would love to get up and fight on behalf of the fishermen of this Province, but he could not do it. He had no authority to do it. And we see statements of that nature now when ICNAF is a flop, it is a failure, statements of that nature coming out of Ottawa and saying, "We think to take unilateral action would be against Canada's best interest." What is the use of going around the Province with petitions! What is the use of talking with the fisheries here! What were the use of our efforts of nine members of this Assembly going around the Province at Fogo, Twillingate, Forteau on the Labrador Coast, Plum Point, Port aux Basques, Harbour Breton, Marystown, Placentia! What was the use, Mr. Speaker! I may sound a bit passionate but I cannot help it, But what is the use! We travel and see those fishermen in desperation. We see them. But these men in Ottawa do not see them. They do not know what it means to a man in Port aux Basques to have his livelihood taken away from him, or a man in Bonavista, because it is not in the best of Canada to take unilateral action.

Well my question, Mr. Speaker, is, what does it mean to Newfoundland? What does it mean to Newfoundland? Mr. Speaker, what it means to Newfoundland is something that can emotionally change the views of all Newfoundlanders. Because what it means, Mr. Speaker, if we do not get unilateral action this year, if we have the so-called people in power in Ottawa ignoring us, that we are not going to have a rural Newfoundland, Mr. Speaker, we are not going to have a rural Newfoundland. What do we want as politicians? What do we want as Newfoundlanders? Do we want our way of life in rural Newfoundland to remain as it is? Do you want the fishery to survive? Or do we want to sit idly by and go around with nice little petitions, nicely drafted up and sign, sign, sign and off to Ottawa begging Ottawa to take action, take action? And Mr. MacEachen very calmly says, "Oh, no! It is not to the best interest of Canada".

Well, Mr. Speaker, in 1970 it was to the best interest of Canada. In 1970, Mr. Speaker, you know what Canada did? Canada as a nation in 1970 took unilateral action in the right to interfere with international shipping for pollution control purposes out to 100 miles from its Arctic coast. Now that was to despite strong protests from the U.S.A. our next-door neighbour, a very strong nation.

MR. SPEAKER: I would just like to inform the honourable member that he has five minutes left to speak.

MR. CROSBIE: Except by leave.

MR. MORGAN: Thank you, Mr. Speaker.

MR. SPEAKER: Except by leave, of course.

MR. MORGAN: I might get leave of the House.

Mr. Speaker, here we are seeing the country of Canada in 1970 taking unilateral action then, here we are with - with what? 19,000 fishermen, with the lives and the survival of hundreds of small communities at stake around the Province and we cannot get action from Canada. But we can get action in 1970 - for what purpose? To protect the polar bear! They took unilateral action in 1970 for pollution control purposes. And the big issue then in the House of Commons, and I read some of the speeches - up get the M.P.'s from Quebec, up get the M.P.'s from Ontario: what was the big concern? Oh they had a big beautiful sexy issue. The sexy issue was, let us save the polar bear in our Arctic. Sure we will support unilateral action. Naturally we will support unilateral action. We want the right for Canada to control pollution along the Arctic coast and action was taken - action was taken in 1970. The reason why? Because the men in cabinet at the time, in the federal cabinet, they had the support of the M.P.'s, the politicians from Ontario and Quebec.

Does Mr. Carter have support of the M.P.'s in Ontario and Quebec, Liberal or Progressive Conservative? Maybe more-ly from the Progressive Conservatives, just more-ly. There is no strength there, especially from the Liberal side of the House of Commons because the issue is not a sexy, political issue for them. Little Newfoundland and the East part of Canada. So they got a few communities along the Northeast Coast of Newfoundland hurting because of the lack of the fish stocks. The fishery is dying in Newfoundland. So, big deal! It was more important to them in 1970 to take unilateral action to save the polar bear than it is now in 1975 to take action to save the Newfoundland fishery, And we talk about sending petitions to Ottawa! And we talk about our government here demanding action! It does not make sense, Mr. Speaker. It does not make sense.

Now, Mr. Speaker, in our report-- the report said that we fully supported ICNAF's proposal or the proposal put forward by the Canadian delegation going to ICNAF in negotiations, international negotiations in regards to our fishery. That was rather - the report says fully support. It really - that one part of the report is wrong because it did not have the full support of the Committee because here is one man who did not support it. I did not support the position put forward by Mr. Etchegary when he met with our Committee and outlined to us, in confidence at the time, it was strictly in confidence and it remained in confidence, he outlined to us the position that the Canadian delegation was going to put forward at ICNAF asking for reduction in catching effort by foreign nations. I did not agree with it. I said so then. I could not say so publicly then but I am saying so now because the idea, the suggestion was ridiculous. It was stupid! It is being laughed at by the foreign nations.

For example, how could Canada go over to ICNAF and demand a reduction in the catching effort by foreign nations if she did not even know what the catching effort now is of the foreign nations. Canada has no idea what the catching effort is of Russia. Canada has no idea what the catching effort is of Spain and Portugal. In

fact Spain and Portugal themselves have no idea what their own catching effort is. They have no registration system. They have no licensing system. They have no inventory system. So, how could Canada go over and demand that Russia reduce next year's catching effort by means of reducing the number of boats prosecuting the fishery, reduce the number of men in the fishery, and asking Spain and Portugal and West Germany and Poland and these other countries the same thing?

MR. SPEAKER: Order, please!

If the honourable gentleman wishes to continue, and I am assuming he does for a few more minutes, I will have to obtain leave of the House.

Does the honourable member have leave to continue? Agreed.

MR. MORGAN: Thank you, Mr. Speaker. I will not be too much longer.

The fact is, Mr. Speaker, that the idea was ridiculous based on these—I mentioned number one reason, because Canada had no idea when she went over there what the catching effort now is of the foreign nations, and number two, Mr. Speaker, that the past performance of Canada in carrying out surveillance is really laughable, and it is laughed at by the foreign nations.

For example, in our meetings we held in Port aux Basques and we heard fishermen tell us their sad story, every fisherman who came before us who was using fixed gear in the waters along Port aux Basques where we now have a legal, official, regulated twelve mile limit, every fisherman who came before our Committee told us that they could not keep the foreigners outside the twelve mile limit. The main reason why was there were no patrols in that area. They had one little patrol vessel. I think it was the Cape Freels they saw once every two or three weeks.

MR. BARRY: On weekends she was in here.

MR. MORGAN: And on weekends she was in St. John's tied up because they would not pay the men overtime. They had one little patrol

vessel. So, how could the foreign nations look at Canada and say, oh yes, you mean business. We know you mean business. That is the reason why you have all the patrol boats out now and keeping us outside the twelve mile limit. Russia knew. West Germany knew. Poland knew, because they are the boats that are over there coming inside the twelve mile limit and destroying the fishermen's gear and reaping up the fish stocks. So, how could the foreign nations look at Canada and say, "Yes. We know you are serious. We know you mean business," when they knew all along that Canada has done nothing, nothing whatsoever for the past two years to improve its surveillance measures, nothing to improve its patrol measures.

So, how could Canada go to ICNAF and say, we demand a forty per cent reduction in your catching effort?

Mr. Speaker, it was laughable. I told the members of the delegation at the time it was ridiculous, it was stupid, it did not make sense. Instead of going over there and at least demanding as per this House of Assembly asking them to do it by means of a resolution passed by this House unanimously, they ignored our request as politicians, not only as government, as politicians in this House. The resolution - it was passed through this House of Assembly unanimously by all parties - asked the Federal Government when they go to ICNAF with the delegation to make sure that they put a demand, a demand, it was not a request, that the Hamilton Banks, which is known by scientists and by people who have proven it, that the Hamilton Bank area is the prime spawning ground for the codfish, that these Hamilton Bank grounds be closed during the spawning season, not closed for a two or three year period, which maybe should have been done, but a very reasonable type request.

Mr. Speaker, that request was ignored completely. I recall saying in the House of Assembly and members saying, oh, no, the honourable Member from Bonavista South is all wrong. They are not going to ignore our request. How can they ignore the legislature of Newfoundland. They are asking to do it, passed unanimously, the leaders of the Province of Newfoundland, not the government, the leaders in all the Province. Surely they are not going to ignore us. But they did. The proposal of closing the Hamilton Banks was not even mentioned at the present ICNAF meetings, was not even mentioned, let alone put forward as a solid proposal. So, if the Canadian delegation - and I think we have one Newfoundlander on there as an official part of the delegation. I think it is Mr. Etchegary who is a fine gentleman and very concerned for the fishing industry, but he is only one man - but the fact is the Canadian delegation did ignore the request of this House of Assembly. They went over there with this idiotic, stupid, ridiculous proposal and we now see the results, a complete flop. It is laughed at by the foreign nations.

What we should be doing as a country and what we should have done during the past two years, we should have, number one, established -

and I liked very much the proposal and idea put forward this morning by the member of the Opposition, the honourable Member from St. Barbe North - established aircraft surveillance. The proposal he mentioned was if Goose Bay closes down why not use Goose Bay as a means of establishing aircraft surveillance, a good idea, a good thought, and also Stephenville. But why was not something done last year in 1972, 1973, 1974, why was not something done, Mr. Speaker, to establish surveillance measures? All we saw was twelve destroyers designated temporarily - and they were only temporary designation - to come down to Newfoundland, go off the Coast and to check - they had two or three fishing inspectors aboard - and to check some Russian trawlers. What we should have done was built patrol boats for the last three years, year after year after year, bigger and larger patrol boats all along the coast of Newfoundland, in Botwood, in St. Anthony, in Bonavista, in St. John's and over in Port aux Basques, keep them there working day and night, weekends and all, pay out the overtime - fishing patrol boats, established aircraft surveillance. Number three, we should have, and Admiral Boyle, the controversial Admiral Boyle, the Commander of the Atlantic region, he said the same thing in Halifax a few days ago, a few weeks ago, that the Armed Forces should be used by this country of Canada to show the foreign nations that we mean business in surveillance measures. What Canada should be doing now is designating at least twelve destroyers, designating them not temporary but permanently as surveillance measures or methods.

Now, they tried that and the question mark - it all came back to one big question: Who is going to pay for it? Is Romeo LeBlanc's department going to pay for it? No. Is the Department of Environment going to pay for it? No. Is the National Defence Department going to pay for it? No way are they going to pay for using our destroyers for patrol boats, fishery patrol boats.

So it was kicked around and kicked around and kicked around by different departments and different ministers in Ottawa and there was never a decision made, permanent decision to use destroyers for surveillance measures. So how are we going to be taken serious by the foreign nations unless we at home as a country, as

a nation start to be serious and take some kind of action. You know, the nail was hit on the head, hit on the head about three weeks ago, the 10th. day of May, I think it was, when Admiral Boyle addressed and spoke to the media and addressed the National Fisheries Council, the Fisheries Research Council of Canada is the right name, and in addressing that meeting he very casually blurted out as he sometimes does, as an outspoken man, that last year Russia - and I was saying this in the media here in the province, I said it in the House of Assembly, I was harping like a voice in the wilderness, day after day there last winter, the Russians are out here over-fishing their quota for caplin. They are out there over-fishing their quota for caplin. I was saying it time and time and time again every day, that the Russian vessels were out there fishing illegally. Oh no, Morgan is just a voice in the wilderness, nobody listens to him.

And three weeks ago the Commander of the Atlantic Region of the Armed Forces stated to the Fisheries Council of Canada that the Russians over-fished their quota last year, their legal quota as set down by international regulation at ICNAF, over-fished it by twice the amount, by twice the amount they were legally supposed to catch. And what was he told to do? Oh hush, hush, hush! Do not talk too loud. No, no, do not repeat that. Do not say it again. Who told him to do it? The Fishery Service Division of the Department of the Environment and the officials of Mr. LeBlanc! He was told to keep it quiet. Oh, no! do not let the fishermen know that!

Now how can Canada go over to and sit down and negotiate with Russian or any other foreign nation at serious meetings, serious negotiations? How can we do that, this country do that if we are not going to take some action to show the rest of the world, especially the fifteen nations involved in ICNAF, that we intend to keep the Russians out, and my contention is it is useless to talk about a 200 mile limit if we are not going to take the action to show the foreign nations that we are going to carry out the surveillance in patrolling and maintaining the proper control over that 200 mile limit.

So, Mr. Speaker, the fisheries has very serious problems. When we travelled around the province, we travelled around, I sometimes look at this report and I say, did we travel around in vain? Did we travel around in vain? Did we go down through Labrador and Fogo and Twillingate and Bonavista and over on the South West Coast, did we go there in vain? Did the fishermen come out in crowds and sit in the halls with their frustrated looks on their faces, humble type men, as I said this morning, men who maybe should have been more militant in their views over the past number of years, did we listen to them, did they give us our views in vain?

Mr. Speaker, we listened to the fishermen. We listened to the Fish, Food and Allied Workers Union. We listened to the fish trades. We listened to the Saltfish Corporation. We listened to the federal authorities, the provincial authorities. We listened to the scientists. We listened and we respected their views and opinions and we came back and we drew up a report based on these views, mainly the views of the fishermen, taking into consideration the data and information given to us by the scientists and other officials.

We have brought in a report. And now the onus lies in the hands of men like the honourable Minister of Fisheries in our government and with the more so in Ottawa than one minister with the Federal Cabinet into what they will do. I know in closing, Mr. Speaker, in closing my remarks I am going to echo the views and the sentiments and the opinions and maybe the frustrations of all members of the Committee who travelled around and saw those fishermen and saw their plight and saw their problems and saw them begging to us, "Do something for us. Do something for us. We are looking upon you to do something for us. We are depending on you. Do not let us down."

Mr. Speaker, I sincerely hope that in a year from now or

a year and a half's time. I hope that no matter where I am in this Province, whether I am out in Bonavista Bay, maybe as a fisherman, whether I am in any part of Canada, I can pick up that report and I can look at it and I can say, "Something was done for the fishermen of this Province." Thank you very much.

MR. SPEAKER (STAGG): The honourable member for Harbour Grace.

MR. H. YOUNG: Mr. Speaker, I would like to adjourn the debate.

MR. SPEAKER (STAGG): The motion is that the debate is now to be adjourned. Those in favour "Aye", against "Nay", carried. It is noted that the honourable Member for Harbour Grace adjourned the debate.

It is moved and seconded that Bill number 86 entitled, "An Act To Provide For The Reversion To The Province Of Certain Mineral Lands In Labrador," be now read a second time.

The honourable Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, this is another piece of legislation put forward by this government that is worthy of note. It is a piece of legislation that will permit the development of the Julianne Lake iron ore deposit to proceed without undue delay. It is necessary to clear up the status of that deposit and to ensure that we can proceed to have this very valuable mineral resource developed for the benefit of the people of this Province.

The title to the Act explains it, Mr. Speaker, "An Act To Provide For the Reversion To The Province Of Certain Mineral Lands in Labrador," specifically the lands involved in the lease, initially to NALCO, a lease dated 14th. November 1960 which was assigned by NALCO to Canadian Javelin Limited on the 15th. November 1960, some fourteen and a half years ago, Mr. Speaker. And in fact the lease was granted under an act, the Act No. 35 of 1959, which was enacted more than fifteen years ago.

Now, Mr. Speaker, this is a history of this project, The relationship of government to the various companies involved is somewhat complex, somewhat complicated, However, I think it would be worthwhile to briefly go into the history of this project or of the deposit. We started off with the NALCO Act back in 1951 that gave considerable rights both on the Island of Newfoundland and in Labrador to NALCO, Newfoundland and Labrador Corporation, which was then a Crown Corporation.

I will not go into, because I am not sure of all the details and the background information involved, the things that went on behind the scenes but eventually we saw NALCO cease to be a Crown Corporation and become controlled by Canadian Javelin Limited and Mr. John C. Doyle.
The NALCO -

MR. AYLWARD: I wonder would the minister tell us when that was?

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MR. BARRY: Between 1951 and 1959, I have not bothered to trace all of the - you would have to go down to the Registry and get out the book of the transferred shares and all of this sort of stuff

and I have not bothered to -

MR. MUPPHY: About sixteen years anyhow.

MR. BARRY: Pardon?

AN HONOURABLE MEMBER: Before 1959.

MR. BARRY: Yes.

MR. MURPHY: It is at least sixteen years.

MR. BARRY: By 1959 this Julianne deposit - the deposit itself covers an area of 1.29 square miles. As I will explain in a moment, the lease gives the right to certain surface rights that could involve an area in excess of this. But, the clause 3 (1) of the lease that was entered into between the Province and NALCO - it was authorized by the act, the Julianne Lake Mineral Lands Act, 1959 - a clause in that said that "the lessee shall after the execution of this indenture proceed with due diligence with mining operations of the minerals on the demised premises."

A subsequent clause however, clause 3 (3) said that the due diligence clause shall not apply to the area that was to be sub-leased to Canadian Javelin Limited under the lease set out in the statutory agreement in the schedule of that act of 1959. It says that the due diligence clause shall not apply - This is not the exact wording, but it is close enough - during all or any part of the period of fifteen years immediately following June 11, 1959. So, fifteen years would take you up to June 11, 1974. But such provision shall come into full operation, etc. upon the expiration of fifteen years.

MR. MURPHY: Fifteen years on 1959.

MR. BARRY: Then we have another clause in another part of this lease, clause 3, which is also relevant. That is that the lessor agrees to grant to the lessee such surface lands owned or controlled by the lessor - that would be the government - and note these words, "as may be reasonably necessary in connection with the lessee's mining operations"

Now, government is introducing this legislation because it has decided that the companies involved, neither NALCO nor Canadian Javelin Limited, neither of these companies have proceeded with due diligence with mining operations. Canadian Javelin, as I will indicate from the correspondence, the lengthy correspondence in the files, and dating back to the last three years, say to 1972 - there is some reference to earlier than that as well. But there may have been things gone on prior to 1972 that I am not in a position

that we wanted to be satisfied that first of all the project was feasible, economically and technologically feasible, that financing was available and that markets were available. And now these are not necessarily totally exclusive of each other. One is related to the other. But these were the three main headings under which we requested specific information from the company. And we can state here today that we have not received satisfactory answers to the questions that we have asked the company.

AN HON. MEMBER: Hear! Hear!

MR. BARRY: We have not received the information that we requested of the company.

AN HON. MEMBER: Hear! Hear!

MR. BARRY: We have received some information. The information we have received is inadequate. It has not been sufficient to enable us to determine whether the surface rights requested by the company are reasonably necessary in connection with the proposed operations, and whether the company is in a position to proceed with the mining operation. And I will just give you an example. There are other examples that will be given but I will give you one example. One of the applications for surface rights dealt with an application for a right of way for a railroad to proceed south to the Quebec border. Another application for surface rights dealt with the application for a right of way for a slurry pipe line also to proceed south to the Quebec border. Naturally we went -

MR. DOODY: Remember there were two applications for railways.

MR. BARRY: Oh, there were a number of applications for railways but there were two or three different railway routes. But this is just one example. Naturally we were a little curious as to just what the intent of the company was, what the plan of the company was with respect to the transportation of ore from the mining operation. So we asked, why are you applying for both a railway right of way and a pipe line right of way? Now after considerable time had elapsed the company came back and indicated

to comment on. But Canadian Javelin's position as indicated in correspondence, and also I understand by public statements of the company in more recent days, is that government has prevented the company from proceeding with due diligence with mining operations because government has refused to grant the necessary surface rights.

Government's position is that it has at all times - this is indicated in the correspondence that I refer to - it has at all times been prepared to comply with the terms of the agreement, to issue any surface rights as may be reasonably necessary in connection with the mining operations proposed. We have made frequent requests, a number of different requests, to Canadian Javelin Limited for information, specific information that I will refer to in a moment, that would enable us to determine what surface rights are reasonably necessary in connection with the lessee's proposed mining operations. Specifically we indicated to the company

that it had finally arrived at a decision that it no longer wanted the slurry pipe line right of way, that it was going to proceed along the railway route. But this is just an indication, Mr. Speaker, of the lack of information that this government had at the time of the initial application for surface rights.

Now I think to start off - I am trying to do this chronologically, and there is a lot of correspondence here - but we will start off with a letter sent to the then Minister of Economic Development in April 4, 1972. I think that would be the current Minister of Industrial Development? No, it would not be.

MR. DOODY: No, it would not be. It is probably -

In any event it does not matter, we are all experienced.

MR. BARRY: In any event this letter would be an interesting place to start if I can find it here. This was a letter, Mr. Speaker, from a Mr. Vincent, Secretary of Canadian Javelin Limited saying that this letter is formal application by Canadian Javelin Limited to the Government of the Province of Newfoundland for a grant of certain surface rights, etc., having an area of 0.97 square miles with respect to Lot No. 2 setting out the purpose for which this particular surface right application was applied for and going on there was a total of six or seven different lots applied for. I will give you the exact number in a moment. But this was the crucial date, April 4,

MR. BARRY: 1972 when the applications for the various surplus rights were formally made to the present administration.

Now I will go to the next letter—oh yes, and that letter of April 4, 1972 includes the request for surplus rights with respect to both a slurry pipeline and a railway. Now if we go to a letter of April 27, 1973 and this is from Mr. MacPherson of Canadian Javelin Limited, addressed to the honourable C.W. Doody, Minister of Industrial Development. Mr. MacPherson sets out a summary of work to date on the Julienne mining lease and gives certain information with respect to markets and so on. Now I will give you an indication of the amount of detail supplied in this particular letter. For example, one item here, markets, the reference to markets is, "markets have been established for the ore." Engineering and feasibility studies have been carried out employing various combinations of production capacity, methods of concentrating, pelletizing and direct reduction of the Julienne ore. These studies have indicated a viable project, and so on, Mr. Speaker.

I refer next to a letter from the Assistant Deputy Minister of Mines, to Mr. MacPherson on the 29th. of May, 1973, which sets out, refers to Mr. MacPherson's letter and requires certain additional information, acknowledges the letter and requests if government could be supplied with a plot plan or plans showing the proposed layout of the various buildings, roads etc. to be constructed at the Julienne Lake site. It says, "Such plans are required so that government officials can get a better understanding of your proposals, and will also be needed to substantiate the need for the lands as requested. Any information you have on the initial townsite layout will also be helpful."

Let us proceed next, Mr. Speaker, to a letter of April 1973 from Mr. Wismer of Canadian Javelin Limited to the Premier. "Dear Mr. Premier, Confirming my telex message of yesterday, Canadian Javelin Limited is hereby requesting your government to introduce and pass in this session of the Legislature of the Province of Newfoundland and Labrador, a railway act, incorporating a railroad which we would like to call the Julienne Lake Railway Limited. This is to permit immediate construction of the railway to serve the Julienne Lake Iron Mine which

Javelin proposes to construct, with commencement of work in late Spring of this year.

"We have arranged sales, the financing necessary and engineering plans for the first phase and these are days away from completion." That was in April 1973.

"We have arranged sales, etc., days away from completion, in the interest of rapid development we shall appreciate being advised in the next few days if you approve. A copy of the proposed railway act will have now been delivered to your office by hand." They are going to assist by drafting the legislation as well.

Then, Mr. Speaker, I would like to refer to a letter of 15th. of May 1973 written by a Mr. Gallom, I think it is of Canadian Javelin Limited.

AN HON. MEMBER: Gallom.

MR. BARRY: Gallom, Gallom, and that is addressed to both Mr. Crosbie and Mr. Doody. "In our meeting in St. John's you requested a letter indicating certain details of the plans of Canadian Javelin Limited for the development of the Julienne property. We are advised that Mr. Doody has at hand a request made by the company for grants both to the former government and to the present government. I shall therefore refrain from now reiterating those. Instead may it be suggested that they be collated with this letter and acted on together, etc.,

etc., requesting the legislation, propose that the grants requested be made at the earliest time with the understanding that any land which is the subject of these grants will be surveyed and survey descriptions appended etc. It is proposed that all lands not needed by the company be returned to the government and (this is an interesting point) may we respectfully reiterate the request made at our meeting that the company's time to act under the lease be extended for a further period of fifteen months from July 14, 1974 so that the company will not be unduly prejudiced by loss of time since it reapplied in 1972 for the grants for which it had previously made application many years ago."

Now, Mr. Speaker, this reference to an application many years ago as far as I can determine relates back to a request made of the previous administration back in 1963 - if I could just check, yes, in 1963. Canadian Javelin Limited made application for grants of surface lands required in connection with the development of the iron ore deposit at Julienne Lake. The government at that time granted approval in principle to the application for land for a plant site, a townsite, an industrial site, an airport site, a railway right of way, water supply and waste disposal area and a large surface area for the use of surplus waters.

Note this: Canadian Javelin Limited was required to submit to the honourable Minister of Mines, Agriculture and Resources acceptable survey plans and proper metes and bounds descriptions of the parcels of land before execution of the grants. Surveys were not filed and no action could therefore be taken with regard to the preparation of the documents of title. You will see in later correspondence that the Chairman of Canadian Javelin Limited, Mr. John C. Doyle, denies that the reason the grants were not made in 1963 was because no surveys were provided. He states that the reason the grants were not issued was because there was no power available for the mining operations at that time.

MR. ROBERTS: Inaudible.

MR. BARRY: The - I am sorry - the

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: Let us see now. No, this is not a letter dealing with the approval in principle. This is just a memorandum reporting what is in the files basically.

MR. ROBERTS: The approval in principle was when?

MR. BARRY: It was in 1963.

MR. ROBERTS: I cannot remember it.

MR. BARRY: This is reported to me as being from documents -

MR. ROBERTS: Inaudible.

MR. BARRY: - contained in the file.

Actually I believe I was teaching in Wabush at the time.

SOME HONOURABLE MEMBERS: Inaudible.

MR. BARRY: In any event, Mr. Speaker, I would now like to refer to the next piece of correspondence. Just get it in order here. Before doing that, government naturally sought legal advice from its advisors, its law officers. The opinion that we received was that although the act gave Canadian Javelin Limited the right to obtain certain surface rights, that did not mean that the company was entitled to get the grants of the surface lands merely because it held a mining lease. Before it could become entitled to demand such surface lands, government was entitled to request that it show that, first, the project it proposes to develop is feasible, secondly, a satisfactory arrangement has been made for financing, and third, that the company had commitments for marketing.

For example, we could justifiably ask for assurance that the company should be able to show by a proper feasibility study that it is possible to mine ore of a merchantable type or ore which can be processed into a merchantable product of a quantity sufficiently large and for a period sufficiently long to make the project feasible. Also, we were entitled to look at the proposed markets. We could also rightfully require proof satisfactory to it that firm arrangements have been made by Javelin for financing the project.

And we wrote the company to this effect, Mr. Speaker, and I will refer to that correspondence in a moment. But first continuing the chronological outline, I refer now to a letter of June 4, if I can find it, 1973 and this one appears to have been mislaid. Anyhow that was a letter from Mr. MacPherson to Mr. Lukins, the Assistant Deputy Minister of Mines, Mr. MacPherson of Canadian Javelin, in which he admits that certain plans with respect to the location of the townsite, pellet plant and so on are only preliminary at that stage. That is in June, 1974.

The next letter I would like to refer to is a letter dated the 15 June, 1973 from Mr. MacPherson to the Hon. John C. Crosbie. And they are, in this letter, complaining about the delay in the issuing of surface rights and asking that they be advised of the reasons for the delay so that they may get on with it.

The next letter was a reply by Mr. Crosbie to Mr. MacPherson on the 18 of June, 1973. Mr. Crosbie says, "In respect to the contents of your letter I can assure you that there has been no loss of time in this matter caused by the government or officials of the government. You are not prevented from proceeding with this project awaiting for the grants in question since there is a great deal of work to be done by Canadian Javelin Limited that is not affected by the grant you have applied for." And it refers to the fact that the Premier will be corresponding in more detail.

Then by letter of June 22, 1973 the Premier wrote Mr. Wismer, the President of Canadian Javelin Limited, and I think I should read this letter fully. This is the first detailed letter.

MR. ROBERTS: (Inaudible).

MR. BARRY: Well the problem is and it is a little unusual. I have no hesitation myself. The problem is that in this correspondence there are references to facts and figures at times that are obtained from materials supplied by the company on a confidential basis which -

MR. ROBERTS: Is the minister going to read the letter? Is he just going to report the letter?

MR. BARRY: I am going to, and I will point out where I am doing it, I am going to omit references, for example, to the grade of ore, technical

aspects of the project that would be considered confidential or that may be confidential. I have to confess that I am not quite sure in this material just what should be confidential and what should not.

MR. ROBERTS: Read the letter. That is enough.

MR. BARRY: I can undertake to supply the Hon. Leader of the Opposition with a copy if he so desires.

MR. DOODY: (Inaudible).

MR. BARRY: Pardon?

MR. DOODY: (Inaudible).

MR. BARRY: This particular one may not have any reference but I am not sure. But there are one or two. As I was going through preparing this I wondered whether it would be proper to make the information public since this act is not through the House. The company is entitled to have a confidentiality of information supplied, maintained and so on.

MR. ROBERTS: Well I do not - (Inaudible).

MR. BARRY: Yes.

The letter is from the Premier to Mr. Wismer. Dear Mr. Wismer, I refer to your letter of April 1973 and your telex which was answered on April 17, 1973 by my Minister of Industrial Development." And that was the telex with respect to the railway, I would imagine. "I also acknowledged receipt of the letter of May 15.

1973 from Mr. Irving L. Gallom on behalf of Canadian Javelin Limited, addressed to my Minister of Finance and the Minister of Industrial Development."

The Premier says, "On May 2 Mr. Gallom, Mr. MacPherson and yourself met with my Ministers of Finance and Industrial Development to discuss the subject of your letter and telex which deals with the proposed development of the Julienne Iron Ore deposits in Labrador.

"Under the authority of the Newfoundland and Labrador Corporation Limited Act, the Act No. 88 of 1951, a mining lease was issued to NALCO on the 14th, November 1960 covering an area of 1.29 square miles, situate on the tip of the Peninsula between Wabush Lake and Julienne Lake in Western Labrador. On November 15th., 1960 NALCO sub-leased to Canadian Javelin Limited all its rights in the iron ore and the demised premises. In 1963 Canadian Javelin Limited made application for grants of surface lands required in connection with the development of the iron ore deposit at Julienne Lake and discussions were held at that time, but Canadian Javelin Limited never did submit to the responsible ministers survey plans and proper metes and bounds descriptions of the parcels of lands, so that no action was ever taken with respect to the issuing of such grants of surface lands.

"In recent months you have again applied for grants of surface rights in this area and detailed discussions have now been held between yourselves and officials of the Department of Mines and Energy concerning the surface rights you have asked for. Officials of that department indicate that the areas you have applied for in their opinion are more than are reasonably necessary for the specific purpose indicated and in one case is for land that presumably will not be required. For example, the area requested for the townsite and the area requested for tailings disposal appear to be much too large, while the area requested for industrial purposes may not be required since it appears that the concentrating plant will be erected on lot two and you intend the pelletizing plant to be placed at some unspecified location outside of Labrador." That was another point, that the proposal

that the company appeared to be making was to locate the pellet plant outside of Labrador, presumably at some port in the St. Lawrence and Quebec.

The Premier says, "I understand that the applications for the alternative railway right of ways have now been verbally revised in consultation with officials of the Department of Mines and Energy and that your application for proposed route "a"-that is route "a" with respect to the railway" is the one which you have agreed to pursue."

"In your letter of April 1973 you have stated, 'we have arranged sales, the financing necessary and engineering plans for the first phase and these are days away from completion.' From the meeting of May 2nd., the following month, held with yourself and other representatives of Canadian Javelin Limited, it was clear that the above statement is not correct since sales are not yet arranged, nor the necessary financing, nor the engineering plans for the first phase. In fact it has been some two or three years since work was done on the engineering feasibility study for the project and this work is now to be updated.

"As you know under the legislation and lease documents, you are required to proceed with due diligence with mining operations of the minerals on the demised premises by June 11th., 1974. Under the legislation the government is obliged to grant to NALCO or its assignees or transferees from time to time such surface lands as may be reasonably necessary in connection with its operations." And note this, "The government is prepared to do this, once Canadian Javelin Limited shows proof that (a) the project you propose to develop is feasible, in other words we expect you to show us by a proper feasibility study that it is possible to mine ore of a merchantable type or ore which can be processed into a merchantable product from the Julienne deposit of a quantity sufficiently large and for a period sufficiently long to make the project feasible.

"(b) That you have an assured market for the major portion of the product of the mine for a number of years in advance (I wonder could I have a glass of water, please?) since this would certainly be necessary in order to obtain an irrevocable commitment on the financing required for the project.

"(c) That firm arrangements have been made by Canadian Javelin Limited for the financing of the project and that you have irrevocable commitments on the financing required for the project.

"In connection with your request for the transfer of surface rights to Canadian Javelin Limited, I wish to make the point that government will consider only the applications for land reasonably necessary for the specific purpose indicated, and that applications will have to be supported by plot plans related to the feasibility study where possible to show that the lands are required.

"I suggest the need for land be reviewed, keeping in mind the above suggestions and that revised applications be submitted for government

consideration. The transfer of these surface rights could be by way of lease, coterminous with the mining lease. In every surface lease there would be a condition stipulating that if the mining lease is terminated for any reason whatsoever before the expiration of the term of that surface lease, then the surface lease shall be terminated at the same time.

"At the meeting of several weeks ago, Mr. Gallom suggested that grants of surface rights would be required in order for the company to arrange the necessary financing. We do not think that grants or leases of surface rights are necessary for this purpose. For financing purposes we believe that a letter from the minister of the appropriate department would be sufficient if authorized by Order-in-Council with the letter stating that if Canadian Javelin Limited satisfies the government it has a viable project and can arrange the necessary financing, then transfers of all surface rights which are necessary for the project will be forthcoming. If necessary, it can be arranged that the transfers of surface rights will be made on a closing date when an irrevocable commitment is given for financing." So, I just refer to that, Mr. Speaker, and ask that that be noted as an indication that government was prepared to take reasonable steps to expedite the company's arrangements for financing.

"With respect to the last paragraph of the letter from Mr. Gallom dated May 15 under which he requests that the time of the company to act under the lease be extended for a further period of fifteen months, from July 14, 1974, the government can see no justification for this. In view of the fact that the mining lease was issued in 1960, thirteen years ago, we can see no justification for extending the time past June 11, 1974 when you should be proceeding with due diligence with mining operations of the minerals on the demised premises. If you do present us with the feasibility study requested, the information on assured markets, and firm arrangements for financing the project, including irrevocable commitments for such financing, then we can discuss this point again if it becomes material." That is the point about the extension.

"There is one other point which I would like to make. This relates to government's desire to see that all its resources are managed properly and efficiently. In this regard I wish to ensure that maximum utilization of all the ore including that part of the ore body extending into the licensed area held by Labrador Mining and Exploration Company Limited,

is contemplated. In this regard, I request that you communicate with officials of the Labrador Mining and Exploration Company Limited with a view to making some arrangement whereby complete extraction of the ore body is feasible and economic. If feasible and economic, it can be contemplated.

"If an impasse in this regard is reached, then I request that you bring the problem to my attention in order to give government the opportunity to resolve the matter. I look forward to hearing from you again and to your advising when you will be in a position to supply us with information to meet the conditions outlined herein."

Now, Mr. Speaker, that was the response of the Premier setting out government's position with respect to the surface rights applied for by Canadian Javelin Limited. I submit, Mr. Speaker, that that is not an unreasonable letter. That is not an unreasonable response. It gives every indication of government being prepared to live up to commitments made either by statute or by lease, but Mr. Speaker, subject to the required information being supplied,

The reference, by the way, to Canadian Javelin getting together with LM and E is because LM and E has certain rights to mineral deposits adjacent to the Julienne Lake deposit and the two should be mined at the same time together. The Julienne deposit juts out, with Wabush Lake on one side and Julienne Lake on the other, and the deposits extend underneath the water of both these lakes. To get proper extraction of all the ore it would be necessary to get an arrangement with the Labrador Mining and Exploration Company. They have indicated they are willing to sit down and discuss this.

Now, Mr. Speaker, then - that letter was written from the Premier to Mr. Wismer. The reply received from Canadian Javelin Limited was signed by Mr. John C. Doyle in a letter addressed to the Premier on July 20, 1973. Again, Mr. Speaker, it might be useful just to read out

this letter as well. "Your letter dated June 22, 1973 to Mr. Wismer has been referred to me for reply because of my familiarity with certain of the matters referred to by you. At the May 2 meeting we proposed, in the interest of speed, grants of surface rights be granted by general description, etc. Cyril Greene, Q.C., who attended that meeting as legal adviser to the minister then stated that there was ample precedence for this procedure and ministers Doody and Crosbie assented. Accordingly we commenced to wait for the drafting of the necessary instruments subject only to Mr. Greene then being without secretarial help, as one of the ministers stated."

MR. ROBERTS: (Inaudible).

MR. BARRY: That is it. Well now they are attributing the delay now to the fact that Mr. Greene did not have a secretary.

"Instead of receiving the grant of surface rights as provided for in the mining lease of November 14, 1960 we now have your letter which fixes a series of new pre-conditions to the grant of surface rights not contained in nor contemplated by that lease." So right away, right from letter one the company is taking a position, Mr. Speaker, which in my opinion is technical, inflexible, legalistic and indicating - again a matter of opinion - but in my opinion indicating that it was far from willing to be co-operative in supplying the information that government required.

"You state that in 1963 Canadian Javelin Limited applied for grants of surface rights but you may have been misinformed as to the reasons for the Newfoundland Government taking no action. The fact is that the prime reason was unavailability of power for the project since the government had otherwise alienated all power. You then state that in recent months we again applied for grants of surface rights. It may not have been called to your attention that we made such applications in the Spring of 1972, one and one-quarter years ago and that our applications received no acknowledgement and to the best of our knowledge no attention until approximately one year later when the government commenced to have discussions with us. You then go on to suggest that the obligation of the government to grant NALCO or its assignees such surface rights as may be reasonably necessary in connection with its operations should first be

be proceeded by a feasibility study, proof and assured market and firm and irrevocable arrangements for financing.

"The terms of the November 14, 1960 mining lease do not impose such pre-conditions to the grant of surface rights and for good reason. We have a financing commitment. However, what responsible financial institution would give an irrevocable and firm commitment for financing to a borrower who has not yet been able to procure a grant of surface rights under an existing mining lease which expressly provides for such grants? You suggested for financing purposes that it would suffice to have a letter from the minister authorized by Order-in-Council stating conditionally that if Canadian Javelin satisfies the government that it has a viable project and can arrange the necessary financing surface rights will be granted.

"Javelin's past experience with the ratification of Orders-in-Council, upon which it had relied, is a matter of record and not unknown to the financial community. An Order-in-Council which is conditional upon satisfying a government would not be meaningful. How can it be expected that we would procure an unconditional commitment for financing a project conditional on government action. To impose upon us so impossible a condition is in effect to deny us the surface rights to which we are entitled under the mining lease.

"The request for prior proof of an assured market for the major portion of the product of the mine for a number of years is again a request for the impossible. We have for some time had a sales contract but it has not been possible to finalize and fix the sales programme in consequence of inaction by the government. You may not be aware that we have delivered feasibility studies to the government as far back as 1963, again in 1972 and again this year. There is no question of the feasibility of the project only as to the re-assessment of cost due to loss of time precipitated by government delay. We are plainly being impeded from proceeding for the reasons above described and our rights under the mining lease are being violated. The imposition of untenable pre-conditions places the cart before the horse and has the effect of defeating our efforts

to perform under the lease and to bring the property into production by June 11, 1974.

"May we, therefore, respectfully request and urge you to reconsider, in the light of the contents of this letter, and to authorize and direct a grant of surface rights in compliance with our applications. We are, parenthetically, perfectly willing to purchase the indicated areas at the going prices as an alternative approach."

Now I would like to add, Mr. Speaker, that this letter - we should keep in mind the context that

at this time government had on file - and again there is some question as to - this is a point that the company made from time to time, that certain reports were delivered to the previous administration that we no longer had. But, -

MR. ROBERTS: The so-called missing files.

MR. BARRY: To that effect. But, at this time -

MR. ROBERTS: Inaudible.

MR. BARRY: At this - well, I do not want to get into that. I just state that as a fact. The company has made that allegation. I do not know if that is correct or not.

MR. ROBERTS: Oh, the company says there were -

MR. BARRY: The company says, indicates that there were reports delivered to the previous administration that we were not aware of. At this time -

MR. ROBERTS: Could the company not supply us with copies of them?

MR. BARRY: Pardon?

MR. ROBERTS: Did the company -

MR. BARRY: This is the point I am just getting to. At this time when this letter was written, we had some four or five reports - not even that many. No, I am sorry. It was only afterwards that I will get into that four or five reports, very sketchy - promotional brochures in effect were delivered to us. However -

MR. ROBERTS: Inaudible.

MR. BARRY: This was a feasibility study that was supposed to have been delivered in 1972 to the Minister of Industrial Development or the Premier or to -

MR. ROBERTS: Inaudible.

MR. BARRY: Just let me go on. This is the letter Mr. Doyle was writing at this time when we had informed him as to the information that we had and that we needed. And when more than a year later in September, 1974 after the due diligence clause had come into effect and the time had in our opinion - well, after June 11, 1974, September, 1974 the company supplied us with some thirty-eight volumes, again not adequate in terms of the information we requested. But at this stage they were writing, refusing to give basically any information when they had the information and when they later presented

it to government. So, I think that that is a -

MR. ROBERTS: Inaudible.

MR. BARRY: There was some additional information. Some of it goes towards answering some of the questions that we had been asking over a year before. Most of it directed to, if I recall off the top of my head, directed to the technical feasibility of the project. Very little directed to the financing or marketing aspect.

MR. ROBERTS: Inaudible.

MR. BARRY: Now, Mr. Speaker, that is the context of that letter was written, that the company was basically, would you call it stonewalling government in its attempt to obtain information?

AN HONOURABLE MEMBER: That is the word.

MR. BARRY: Stonewalling, I think, would be an appropriate word there. Mr. Speaker, I do not want to get into too much detail, delay the House unnecessarily. There are a few more relevant pieces of correspondence that I should refer to. That was the letter of July 20 from Mr. Doyle to the Premier, July 20, 1973.

The next letter, the Premier or acting Premier, I believe, signed it, Mr. Crosbie, to Mr. Doyle on August 16, 1973.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: August, 1973. This basically we found as we went along, for particularly the months of the Summer and early Fall of 1973 we were engaged in a lengthy series of letters having to reply to allegations made in Canadian Javelin's previous letters. We would write them to set the record straight. They would write back. That would require another communication from government. It got into a - well, it was an unnecessary debate by mail, Mr. Speaker, as far as government was concerned. The letter - I will not go into this. There is no reason to go into it. It refers to inaccuracies, in our opinion, in Mr. Doyle's letter. It confirms again that government will accord the company its rights if it supplies the information that government has requested.

The next letter, September 5, 1973, Mr.

MR. BARRY: Doyle to Mr. Crosbie and this is when, oh yes, Mr. Crosbie indicated that we were not in receipt of any feasibility study and in the letter, September 1973, Mr. Doyle writes Mr. Crosbie and says that he will send along a copy of the feasibility study and he follows that up with copies of certain studies shortly after. I will just refer to them in a moment here. I have lost some markers here somewhere.

Yes, there were five reports delivered in September 1973 to government by Canadian Javelin Limited, set out as the feasibility study that Mr. Doyle had been referring to. And on November 29th., 1973 after we had an opportunity to study these reports, the following letter was sent by the Premier to Mr. Doyle.

MR. AYLWARD: Was this not the same report that had been forwarded to the previous administration?

MR. BARRY: Yes. They indicate that they were.

MR. HICKMAN: Allegedly.

MR. BARRY: Allegedly, yes. The exact - the letter again is another lengthy letter of some five, six, seven pages, Mr. Speaker, setting out our position with respect to the reports and basically saying that the "feasibility study you mention, cannot be described as an adequate feasibility study" and we go on to say that it does not answer the questions that we have raised concerning the mining operation and so on.

We talk about gaps that are in the reports that have been sent to us. Oh yes, in the previous letter Mr. Doyle already made an allegation that the honourable Minister of Industrial Development, I think this allegation was made in the public press, that the honourable Minister of Industrial Development has been in touch with competitors of Canadian Javelin Limited, discussing the Julienne property. And the Premier says, "With reference to the second paragraph of your letter, your allegations with respect to one of my ministers being in touch with competitors of your company on the matter of the development of the Julienne property, or that the marketing of iron ore from the Julienne

property was discussed at such meetings is not correct. Any information given to us by you on this matter is confidential and will remain confidential. That other persons or concerns would be interested in developing the iron ore in this area and would do so rapidly may well be true, This is a project that should be developed and could be developed but there is no evidence yet that your company can develop the property."

Now there is something, in my opinion, wrong with correspondence between a company and government that in one letter is submitting that their request for service rights being delayed because a lawyer in the Justice Department does not have a secretary, and another minute is saying they cannot trust government to give them the information, basically this is the implication, because government is going to give it to their competitors. It is something less, shall we say, than a warm businesslike relationship, Mr. Speaker, and that, I just mention that as an example of the company's position towards government in the application that it made, To label it as arrogance, Mr. Speaker, would be an understatement.

So we went into - the Premier in his letter went into significant detail, for example says "at the present time we are confused concerning the proposed transportation system for the concentrates," refers to certain reports that we would like made available to us that obviously now we can see that the company has additional reports from these few that they submitted to us and we ask for these other reports.

We point out that the area applied for for the townsite area was excessively large. We do not have enough information with respect to other lots and so on.

In the last paragraph of the letter the Premier says

"I have attempted to outline in this letter some of the information and kinds of information we must have and which you should have available if you in any way seriously propose to proceed with this development. If you or your senior officials wish to meet with myself and my ministers about this matter we are prepared to meet with you. But I have attempted to make clear the nature and kind of information we must receive. If you wish appointments made for any of your technical advisers to meet with my officials that can also be arranged. Unless you are willing to supply the kind of information needed to meet the points I have outlined in our correspondence, there would seem to be no point in continuing this correspondence." The Premier is getting tired of writing these letters too by this time.

"If you are in a position to truly carry forward this project then there is no reason whatsoever for your continuing failure to meet the government's legitimate requests. The government wishes these deposits of iron ore developed, and I am extremely disappointed with your apparent inability to go forward with the project or to supply the information repeatedly requested of you."

And then, Mr. Speaker, the next letter - let us see where are we. We are getting to the end here now, Mr. Speaker, fairly soon. Oh, yes, the next occurrence, or I should say that earlier that year, which I omitted to mention, in January 1973 we received notice that - what is the date of this - December 31, 1973 is the date of it, a letter from solicitors for Canadian Javelin Limited. Enclosed herewith please find appropriate notice pursuant to the Judicature Act indicating that the above captioned companies intend to commence the appropriate legal action against the Government of Newfoundland and Labrador respecting the Julienne project the particulars of which are contained in the said notice. And this was on behalf of Canadian Javelin Limited and NALCO, the Newfoundland and Labrador Corporation Limited. So that was

early in 1973 the company - I am sorry, I am wrong here. This is late 1973, December 31, 1973 and early 1974, yes. I am mixed up here. This was the next step in the drama. After the letter from the Premier to Mr. Doyle in November of 1973 the next action was December 1973 when we, in effect, were given notice by the company that they were going to sue us. We referred the matter to our solicitors, and we were informed that the method being adopted or the notice that was supplied was defective, and we paid no more attention to it.

MR. MURPHY: What was the cause of action?

MR. BARRY: Oh, there is no reference to the cause of action there. Let me see.

MR. MURPHY: In the notice.

MR. BARRY: In the notice, let us see.

It says, the particulars of the proclaimants claim of the inaction wherein the claimant will allege a breach of the NALCO Act of 1951 and a breach of the lease dated 14 November, 1960 they alleged that the act and the lease had not been adhered to by the government with respect to the rights granted thereunder to Newfoundland and Labrador Corporation with respect to lands demised from Newfoundland and Labrador Corporation Limited known as the Julienne project and the claim shall be for one, special damages not yet calculated, two, specific performance or in the alternative, three, general damages or in the alternative, four, a writ of mandamus or in the alternative, five, seeking the appointment of an arbitrator pursuant to the Judicature Act or such other futher and other relief.

Now the opinion that we got from our solicitors, Mr. Speaker, if I could just refer to it - well first of all the reference to going to arbitration, for example. It does not refer to what matters are going to be arbitrated. But we retained solicitors and our solicitors dealt with the notice. We treated the notice as being deficient and as far as I am

aware the thing stopped without any further action being taken.

Next, we have a letter - we are getting into 1974 - January 3, 1974 from Mr. Wismer again to the Premier, again alleging different opinion as to the effect of meetings held. The Premier described in his letter a certain report in Mr. Doyle's letter as being ridiculous and completely untrue. Mr. Wismer in his letter points out on the contrary it is accurate and truthful and I will give you that just as an example of the nature of the letter. Let me see if there is anything in this worthy of note. Again this was in reply to the Premier's letter arguing that the company did not have to supply further information, and saying that government was delaying the project by delaying the issuing of surface rights. That is about it, Mr. Speaker. I will not read the whole letter. It is again a lengthy letter of some five pages.

The next letter I would like to refer to is a letter from myself on May 15, 1974 to Mr. Wismer. This letter formally rejected their application for certain surface rights and indicated that the application for other surface rights was in abeyance until further information was provided as requested by the Premier in his letters. This was, as I say, May 15, 1974. The next letter prior to June 11, 1974 that I have is a letter from a Mr. Manier of Technical Economists Limited who was retained as a consultant by Canadian Javelin Limited at this stage to deal with government. He came and supplied us with a letter from Mr. John C. Doyle saying, "in the light of your opinions and views about the necessity of such rights during the early planning stages of mine development, will you please review the minister's letter and submit a reply in our behalf reaffirming our applications for these rights. You are also authorized to discuss the feasibility aspects with him should he desire to do so."

So, finally we get to the stage - that is, the letter of Mr. Manier received June 5, that is six days before the June 11 date, we finally get to the stage where the company is prepared to send a consultant down to discuss the matter with us. So, we met then following the June 11, 1974 date. We had discussions with Mr. Manier, officials of the Department of Mines and Energy had discussions with Mr. Manier. We received as I indicated several months later following discussions and following government explaining again, going through the correspondence

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with this consultant, and explaining the areas where we required additional information, we were supplied with some thirty-eight various reports that we knew the company had had, that the company had up to then refused to grant us. We were aware of -

MR. ROBERTS: When did they become available?

MR. BARRY: September, 1974.

MR. ROBERTS: Two years and a bit after (Inaudible).

MR. BARRY: Yes. Finally we get a letter after this consultant came down and started having discussions with officials of the Department of Mines and Energy - there is a letter here from Mr. MacPherson of Canadian Javelin to Mr. John McKillop, the Deputy Minister of Mines. "Dear Mr. McKillop, I am in receipt of the list of reports on the Julienne property which you have on file in your records. It would

MR. BARRY: appear that there is a large number missing. I am presently having a member of our staff copy all the remaining reports and will forward them to you on completion." And that is the understatement of the year to say that apparently a large number are missing, because from our memo I received at the time indicated that up to forty-six documents that we were aware of, that the company had, copies of only three were in the department's files.

AN HON. MEMBER: Inaudible.

MR. ROBERTS: A whole box full of documents.

MR. BARRY: It is just that sized box full of documents, right.

MR. ROBERTS: And they were sent to Mines.

MR. BARRY: As far as we know they were never delivered during our time in office. They were never delivered up to 1972, or from 1972 to 1974.

AN HON. MEMBER: Inaudible.

MR. BARRY: I do not recall, no. You have to remember we have officials, you know, who were in the Department of Mines who were also there when Mr. Callahan was there and, you know, we had access to whatever was on file and anything they were aware of that they could flag -

MR. ROBERTS: Some things would never come to the Department of Mines at all. They would come to the government and then to the Department of Mines.

MR. BARRY: That is a fair assumption, yes.

Now, that is assuming that they were sent. I cannot certify that they were sent you know, the -

MR. ROBERTS: I am unable to understand why anybody would want to keep them **secretive** -

MR. BARRY: Can you understand why a company would refuse to make them available, you know, a company that was interested in making arrangement with government to develop a mining project.

MR. ROBERTS: Inaudible.

MR. BARRY: But in any event, Mr. Speaker, the next letter is a letter of

September 25th. from Mr. Doyle of Canadian Javelin Limited, and they say "Our last interchange of letters in the summer of 1973 clearly established the government's desire for more information about our proposed Julianne development. We have worked very diligently since then towards the goal of satisfying the government's information needs."

Now after the June 11th., 1974 date or about a week before that, well there appeared, there was a new attitude developed on the part of the company for some reason. As evidence of our good faith we recently presented photo copies of some fifty relevant reports and documents to the Minister of Mines and Energy, the honourable Leo D. Barry" Again this fifty is not accurate unless that may include copies of letters that were with reports, I am not sure.

"Although wide-ranging in their coverage, the above items regretfully do not include the three fundamental pre-qualification items which were stipulated in your letter of June 22nd., 1973." So this is an admission that they have not complied with the information requested.

"Those pre-qualification items that you demand, before any consideration can be given to our request for surface rights are (a) a final feasibility study, (b) assurance of long term markets and (c) irrevocable financing commitments. In accord with your suggestions we attempted to obtain all three items, again there was no indication to us prior to then that they were attempting to do it. They went on, but regretfully must report our failure at being able to do so and for the same basic reason in each instance, We have been told that we require clear and unincumbered title to the land needed to sustain our proposed mining development and that we must have the government's endorsement "this is an interesting point-" and that we must have the government's endorsement of such a development before a final feasibility study can be rendered, before any prospective customer will enter into a long term sales contract and before any financing commitments can be negotiated."

Now when I met last Friday, myself and the Deputy Minister of Mines with the President, Mr. Balestreri, he now is, of Canadian Javelin Limited and a Mr. Dhome, a lawyer and a Director of the Company, they again raise that point and we -

MR. ROBERTS: What do you mean by -

MR. BARRY: This is the point that they are making and that they made in correspondence with myself and I believe later with the Premier, is that

at the present time it is not even sufficient for them to have this statutory agreement and to have this lease and to have the rights, their entitlement to surface rights as set out in the mining lease, that they require some form of affirmative endorsement or letter of support from government that will presumably, and this is my opinion, presumably give them some credibility in the market place that they do not have at the present time.

MR. ROBERTS: What can government give beyond an act of the legislature -

MR. BARRY: You know, I have to put my arms in the air and shrug my shoulders and say, I do not know, But this -

MR. ROBERTS: Inaudible - or the act is binding. -

MR. BARRY: From conversation I gather that they have referred to previous difficulties that Canadian Javelin Limited has experienced with the government of this Province; namely, in connection with the linerboard project which is well known and public for all to see and hear. And they are indicating that this and other problems have created a certain wariness in the people that they are talking to, a certain skepticism as to whether the company has the backing of the government or that the company is going to be in a position to proceed with the development of the Julienne deposit because of the relationship with government.

MR. ROBERTS: In effect good will or something.

MR. BARRY: Basically some form of good will, yes.

MR. ROBERTS: You do not put developments together on good will. You put them together on leases.

MR. BARRY: I just report to you what has been stated to me by officials of the company and which is indicated here in Mr. Doyle's letter to the Premier of September 5, 1974 - for the first time really - but obviously we can infer that they must have taken that position before that as well. They say, "During the past year various emissaries from Canadian Javelin Limited, including corporate executives, legal counsel and independent consultants have attempted without success to resolve this dilemma with your staff. A lot of correspondence has been generated by them

but the basic problem still seems to exist and we do not appear to be making progress. We appreciate your concern about granting the surface rights we requested, and we are prepared to devise jointly with your staff a reasonable alternative course of action that will enable us to move ahead promptly. Perhaps the time has come for us to meet to review the issues," etc.

MR. ROBERTS: That was a letter to the Premier.

MR. BARRY: Yes, and this was just after these reports had been dumped on us and before we had any opportunity to assess them or evaluate them.

MR. ROBERTS: They admitted in the letter that the reports did not contain the information requested by the Premier.

MR. BARRY: They admit that the reports did not contain the information requested by the Premier.

And finally an interesting letter, a very short letter from me. No, this is not the one, I am sorry.

MR. ROBERTS: Interesting because it is from the minister or because it is short?

MR. BARRY: It is interesting because it is referred to in a letter to the Premier, that the Premier did to Mr. Doyle following this. I will just read the letter, "I refer to the letter to you from Mr. John C. Doyle of Canadian Javelin Limited dated September 25, 1974 with particular reference to the first paragraph.

"In this regard I can confirm that on September 16, 1974 -

MR. ROBERTS: That is a letter from the minister to the Premier or -

MR. BARRY: Yes, from me to the Premier.

"Canadian Javelin submitted to me copies of some thirty-nine background reports and additional private correspondence items pertaining to the Julianne deposits."

Now the Premier then, I understand, wrote Canadian Javelin Limited and confirmed that he had received confirmation from me that we had received these reports.

MR. ROBERTS: In other words the Premier got a letter from Mr. Doyle saying that certain documents were delivered and before the Premier replied he rang

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the minister or was in touch with the minister and said, did you in fact gets these documents. We are to infer from the -

MR. BARRY: I confirm that the documents had been received and the Premier wrote Mr. Doyle confirming that we had received the documents and yesterday evening

I was informed by one of our radio stations that Canadian Javelin Limited has been sending around this letter attached to an article -

MR. ROBERTS: Which letter? The one from the minister to the Premier?

MR. BARRY: The one from the Premier -

MR. ROBERTS: The Premier to Mr. Doyle?

MR. BARRY: - to Mr. Doyle confirming receipt of these thirty, thirty-nine voluminous volumes or whatever, apparently sending around this letter affixed to an article clipped from the Daily News of yesterday morning or the morning before, apparently in rebuttal of something made in that statement. But, that is one tiny little letter out of all the correspondence I referred to today, about the only one page letter, I suppose, that has occurred in the course of this correspondence. I mention that only as an example of the need to look at any such letter in the context of what has gone on before.

MR. ROBERTS: Are we to infer that -

MR. MURPHY: Did the House of Assembly receive that letter?

MR. BARRY: We did not receive this letter. The Premier referred to this letter in his letter to Mr. Doyle.

MR. ROBERTS: Are we to infer that there is not an atmosphere of mutual trust between the government and Canadian Javelin?

MR. BARRY: Well, I have to say that on our part, I guess, government takes the position of neutrality and fairness.

MR. ROBERTS: About as neutral as Belgium was after it got slammed in World War I.

MR. BARRY: In any event, Mr. Speaker, I do not think there is any need to go into great detail on much more here. I should point out that the bill, the intent of the bill, the reason the bill is put forth is to clarify the status of the Julienne deposit so that we can get on with the development of this great resource. Now, there is obviously some ambiguity or some question as to what is meant by some of the clauses in the Canadian Javelin lease or statutory agreement, what is meant by due diligence, and so on. This is a matter that there are various ways government could have approached it. In our opinion all of the other ways would have seen this resource, this ore body being tied up for a considerable number of years. Any other course of action, in our opinion, would have seen it impossible

to proceed with the early development of this deposit. So, we decided that the only way of clarifying the status of this deposit and getting on with the job of developing it is to introduce this legislation. We had to give very careful consideration to this before we took the step, but we decided it was the only course open to us.

We provide in the bill as you may note, for the payment of compensation up to \$750,000, three-quarters of a million dollars to the company for any rights which - I say any rights because there is obviously some good question as to Canadian Javelin Limited or any other showing that they are entitled to rights in connection with the deposit. But, Mr. Speaker, there is a sum of \$750,000 set out as compensation. There is some question, some very good argument as to whether any compensation need be set out in that there is some very good argument to the effect that Canadian Javelin Limited no longer has any rights with respect to the ore body, to the deposit.

However, Mr. Speaker, we do recognize that certain expenditures have been made by Canadian Javelin Limited on the property, and these expenditures by the terms

MR. BARRY: of the NALCO mining lease had to be submitted to government each year. The NALCO mining lease required NALCO to submit to government each year accounts of expenditure and revenue with respect to the leased area. And from our reports in the department, from the department files, the only revenues that we are aware of, or I am sorry, the only expenditures that we are aware of as being made by the company on this property is something in the amount of \$565,000 approximately.

Now I understand, again this is second-hand information, but I understand that Canadian Javelin Limited has made a press release or certain statements to the media to the effect that it has expended some millions of dollars on this project. I can only say that the only record that government has of expenditures indicates expenditures of less than \$600,000. I have to refer again to the obligation of the lessee to report to government accounts of expenditures and the only reports that have been made as I say indicate expenditures of less than \$600,000. We have received no other information from the companies that expenditures in excess of this amount have been made.

I should add also, Mr. Speaker, that any compensation paid to the company would only be paid, according to the Act, if the company makes available to the Minister of Mines and Energy, to government, all reports that have been done and all studies, tests that have been done in connection with the Julienne deposit and this information becomes the property of the government. This in itself, of course, is valuable information and as I say, the compensation payable to the company is premised on the assumption that this valuable information will be made available to government.

So, Mr. Speaker, that is all I have to say in connection with this piece of legislation. It is something that in my opinion is overdue. It is something that will clear up an unfortunate arrangement whereby a company has been able to sit on an ore body in Labrador for fifteen years and not proceed to develop it, a very unusual arrangement in the first place to have this due diligence clause suspended, but we will not go into why this was done or, that is history, that is past, but I will say,

Mr. Speaker, that this government is committed to the development of the resources of this Province for the benefit of the people of this Province. And, Mr. Speaker, the only way as I said that we can see, that we can ensure the early development of this deposit, is to proceed with the legislation now before the House, and I move second reading and ask that we receive the support of all honourable members.

MR. SPEAKER (STAGG): The honourable the Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, if I may say a few words on this. The minister gave us a very lengthy and a very detailed exposition of the tangled course of dealings between the government on one hand and on the other hand the Canadian Javelin Company and I attempted to follow it. I am not so sure I did, but I think the minister, well it was interesting, the minister could have really confined himself to about the last ten minutes because I think the meat of what he had to say was really said in the last ten or fifteen minutes.

Now I do not intend to be very long, but I would like to try to recapitulate what I understand to be the situation, and the minister will speak to close the debate. There might be other honourable gentlemen who wish to speak, of course, but let me try to put

my understanding and if I am not correct perhaps the minister could correct me and if I am correct then, you know, that is fine. We will have understood it on this side. But as the minister would agree and as the House would agree, Sir, he gave a very long explanation and quoting documents and so forth and very involved, and it is sometimes very difficult to follow. I would think even having the documentation and I am sure the minister would be the very first to agree on this, that even with the documentation it will be a difficult story to follow, its plot line and so forth. He is nodding assent.

Now, Sir, my understanding is this that a number of years ago, I believe back about 1951 in fact, the NALCO, a Crown Corporation - AN HON. MEMBER: (Inaudible).

MR. ROBERTS: - well it has gone through a number of owners, but it was owned by the Crown, I believe, at the appropriate time - NALCO in 1951 and in 1959 acquired under a lease or by means of a lease drawn under statute -

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

MR. ROBERTS: - certain rights to some land, the peninsula actually between Julianne and Wabush Lakes in Labrador, and they were given these rights which, as I understand them, were mineral rights but not the surface rights or the rights to receive mineral rights and the rights to receive surface rights. NALCO has passed through a number of owners over the years. It was originally, as I have been told about it, owned by a private corporation with the government holding a minority interest. Subsequently it became a Crown Corporation and the government purchased the shares. Right from the start it was a corporation set up under authority of legislation. It was incorporated by act and not incorporated under the Companies Act. Again that is not unusual in itself. And subsequently the shares of NALCO were sold by the government to Canadian Javelin and the consideration, at least, in part was some shares in Jubilee, I think, was it not and some shares in Javelin, and I think there was considerable litigation arising out of the disposition of those shares, and I recall reading in the paper that it was only settled within the last month or so.

In any event through this change of title NALCO came to have some rights in Labrador which they acquired under a lease, and it is referred to in Schedule A, an indenture of lease in 1960 in November and NALCO in turn subsequently assigned those rights to the Canadian Javelin Corporation. By the way I do not know if it is important. It may or may not be. But in Schedule A, the second paragraph, Canadian Javelin is misspelled. It is just a small error but it should be cleaned up when we go through it. That was in 1959 which was sixteen years ago. At about that time the House of Assembly, and I do not know why they did it but the House of Assembly apparently agreed to suspend a clause in the lease. And one of the clauses in the lease or in the legislation. I am not sure in which, but the one that was suspended required Javelin, the lessees to act with due diligence to develop whatever resources were in this parcel of land, this peninsula between the two lakes, Wabush Lake and Julianne Lake, and what is there, of course, is iron ore. So perhaps the minister could tell me if so far I am on reasonably solid ground in trying to understand what I suspect in many ways is a needlessly complicated situation. It is a very difficult one to follow but I think in essence it is a fairly simple problem.

Anyway the Legislature then in 1959 suspended the operation of that due diligence clause for a period of fifteen years and that period expired in June 11, 1974. Over the years Javelin did carry out some activity. There is obviously some considerable dispute as to exactly what they were and what the effect of them was but they did do something. They did not succeed in bringing the project to development. That is obvious. There is no development there. They may or may not have started on it. That is a matter that can be argued but I must say following as best I could the minister's trail of documentation, I think, you know, Javelin have not as yet shown or discharged their onus to show that they have carried out a meaningful development policy. I say that. I have not seen the documentation. Indeed I think the minister might consider tabling it, the whole kit and caboodle, because I think it is something that should belong in the records of the House.

In any event, Sir, June 11, 1974 came and the due diligence clause began to run again and the government have now concluded that Javelin have not been using due diligence, if I understand the minister correctly, and

because the phrase due diligence is one that is obviously capable of debate and interpretation and could lead to a great deal of litigation the government have decided to sever the Gordian knot and to sever it by means of the bill

now before the House. Now, perhaps the minister can tell me have I understood the matter in essence correctly? He is nodding assent. Okay.

Now, Sir, the bill before us now then is the government's answer. It is the severing of the Gordian Knot. It is an Expropriation Act. A great deal can be said one way or another. But, in words of very simple import, this bill, "An Act To Provide For The Reversion To The Province Of Certain Mineral Lands In Labrador" is nothing more and nothing less than an Expropriation Act.

Now, Sir, this Province, this legislature has the power to expropriate. It is a power which is used very often. It has to be used with care and with great judiciousness because it is the sovereign power. As a matter of fact, I believe in the United States they call it the right of eminent domain. The doctrine which we know as expropriation, in the United States it is called the doctrine of eminent domain. It is an exercise of the legislature's sovereign power.

There is nothing unusual about expropriation. I have no idea how many actions or how many acts are taken under the authority of the Expropriation Statutes, but I would not be surprised if there are 1,000 a year. The government or municipalities and other bodies with power to expropriate in the course of a year exercise that 1,000 separate times. That in itself does not bother me, and it does not particularly concern me that we have here an act to expropriate as opposed to the more normal process of expropriating under authority of the Expropriation Act, the existing statutes.

I think the minister has made at least a prima facie case. I have no doubt he has disclosed the substance of what he knows. He has made a prima facie case in favor of expropriation. Now, I say prima facie because there may be a rebuttal, but I am not aware of it. I may say what little I have seen in the newspapers - I have not seen anything else - what little I have seen in the newspapers on behalf of Canadian Javelin who presumably had notice that this legislation was coming in - I do not know how much notice they had but I assume they had some notice beyond the fact that it was going to, you know, beyond the fact of the notice

given here in the House when the minister first gave notice two or three days ago - Canadian Javelin have not to my knowledge rebutted the case made by the minister. Well, in the absence of that I am prepared to accept the minister's statement of the case. I might be prepared to accept it in any event, let me say, but I am quite prepared on the basis of what the minister has said and in the absence of anything to the contrary to accept it. Because what he says seems to be reasonable and seems to be straightforward and seems to be a consistent whole.

In any event, Javelin have had these mineral rights for quite some time, sixteen years approximately. They have not been able to develop the property, and the government have now said that in their view Javelin cannot develop the property, that we the government, we the people should take back the property from the Javelin people, the lessees, extinguish all their rights and that we are going to pay them an amount of money in lieu thereof. That is really what this act does. It takes a number of words to do it. It takes a number of provisions. But, that is what the act does.

From our side, Mr. Speaker, as far as I am aware and concerned, we are quite prepared to go along with that. The bill, if it will lead to development, the bill will be a good one. Javelin have had a number of years to try to develop the mine. I am prepared to say they have made some efforts. I am not prepared to say, because I am not able to say, how substantive those efforts are, but I will say the efforts have not succeeded. I have heard nothing to indicate, heard nothing from the minister to indicate that they have been frustrated by any act of the government. Indeed from the correspondence which the minister read it would seem that if there is any blame it should lie on the other side of the coin.

My concern though, Sir, is to see what development can be produced with this mineral. We know the mineral is there. I do not know how much. I do not know if the minister knows how much. But there is substantial mineralization in that part of Labrador. The obvious aim of public policy must be to develop that mineral. If this bill will achieve that end, then it will have been a good service to the Province.

Now, Sir, the course of dealings which the minister outlined is to say the least tangled. I would ask him if he would agree to table the documentation.

I realize there is a great deal of it, but it might be possible to table one copy or possibly two, one for the official records of the House and another which we on this side could look through. I think that would be, you know, the right thing to do. There may be some confidential information in that, but perhaps that could be made available in a form, only that part of the information in a form that it would not be passed on. Although I am not sure just what value it will be to anybody once this bill becomes law, as of course obviously it is going to be.

One question I would like to ask though, from listening to the minister, is I do not understand why the surface rights are so important. The dispute in the correspondence seems to have been mainly about surface rights and I am not sure why they are so important. The minister could perhaps he is shaking his head, maybe the dispute is not about surface rights.

MR. BARRY: I do not know why -

MR. ROBERTS: I mean I do not understand it, the dispute seems to be mainly back and forth about certain leases to surface rights.

MR. BARRY: The dispute which - But the reason given said - (Inaudible)

MR. ROBERTS: Well that is essentially what I am saying the other way around, Mr. Speaker, Perhaps the minister could give us any thoughts he might have as to why service rights are allegedly so important. Now I know one has to get in on a bit of land before one can dig a mine on it, but then again surely that could have been worked out if all the other prerequisites to development had been met.

In any event, Sir, wherever the blame lies obviously it has not been a happy arrangement, and I think it is fair to say that there is a case established that we are not going to see development of that piece of land by the Canadian Javelin Company. Well if it is the only way to develop it is to take it back, then well and good, let us take it back.

What does concern me about the bill though, Mr. Speaker, is not the expropriation, What does concern me is the arbitrary determination

of the compensation to be paid. Now let me say that as I understand the law, this Legislature has the power within the appropriate sections 91 and 92 and 92 specifically, the BNA Act to expropriate anything we want, provided we are being intra vires our Legislative jurisdiction and with or without compensation. I think that is probably legally correct. We can say there is a dollar peppercorn, peppercorn rent, a dollar in lieu of compensation.

The honourable gentleman from Placentia East is a learned Member of the Bar, I think he is, that is good law. It may not be good in policy but it is good in law, that is this House were to say that we are going to expropriate anything, we are going to give a dollar for it, that is the end of it. The Legislature is Sovereign within its jurisdiction.

So we have the right to set compensation, we the Legislature. It is unusual though that it be set by legislation. Normally compensation is set either by negotiation between the two parties leading to an agreement or failing agreement, is set by an arbitration board set up under the Expropriation Act and then with certain provisions for further reference to the courts if that is thought desirable.

Mr. Speaker, as I heard the minister, I am not sure I heard everything he said because I was in and out of the Chamber and conferring behind the Chair with various members of the Ministry about one matter or another, but as I heard the minister he did not deal at any real length with why the government have chosen to assess compensation arbitrarily, and I think that is the important point. The expropriation in itself does not particularly trouble me. The government seem to have made a case in favour of it and we have many times in this Province expropriated bits of land and buildings and what have you, this may be a little larger than most, I am not aware that we have expropriated any mines with the exception of the Undeveloped Mineral Lands Act which is a form of expropriation. It has been on the books for fifteen years and it has been used with some degree of success on occasion. But to my knowledge never before has compensation been set in this way. Even

the great dispute between Canadian Javelin and the government over the Linerboard Mill was resolved by agreement and when that bill came in there was an amount of compensation approved. We thought it was too much, but it was agreed upon between the government on one hand and Linerboard on the other, Linerboard being the Javelin subsidiary, and the compensation was paid under terms of the bill.

But here we have a case, as I understand it, where the bill itself sets the compensation. Now I would feel

much happier if the government would agree to amend this bill to provide that the amount of the compensation shall be set under the proceedings of the Expropriation Act. Let us take the land. We have a need of it. It is the way to get development. Let us take the title. Let us do it by legislation. But let us set the amount we pay for it by an impartial process and not by an arbitrary use of the sovereign power. I think that is an important point, Mr. Speaker. I think it goes right to the principle of the bill. I do not think it is sufficient in my view to vitiate the -

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: I am sorry?

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: Well I could give the honourable gentleman a chat about the concepts of fee simple and surface rights and minerals rights. I am using the land in a fairly loose sense technically but we are talking about taking back the mineral rights and whatever rights they may have. But for example we are going to expropriate some land. The road itself is a surface right and Schedule C has a description of a road that is - I do not know - fourteen miles long or fourteen and one-quarter miles long. We own the surface rights but they have not been conveyed. But I mean I do not want to get into technical descriptions of the concept of fee simple absolute in real property and so forth. That is not the point. The point I am making is that let us take the title. Let us extinguish whatever title Canadian Javelin has and that is provided for in majestic words in Section 3 when it says, that all the titles other than those - well all the titles period are vested in the Crown. Whatever rights anybody else may have they are coming back to the Crown once this bill receives the Royal Assent or I think it may be required to be registered first but that is beside the point. That is a technicality. So perhaps the minister could address himself to that point. That is the one that bothers me. I can quite understand how it might be very difficult to arrive at an agreed upon figure with Canadian Javelin. In listening to the correspondence

I think it will be difficult for the two parties now to arrive at even a common agreement as to what day of the week it is. But I am unable to understand why the government have arbitrarily assessed compensation as being \$750,000. There may be a reason, and I am certainly willing to suspend a final judgement on that point until I have heard the minister speak to it. He has told us why the government have chosen not so much the amount as why the government have chosen to do this, why they have chosen to do it unilaterally and arbitrarily. It is somewhat unusual.

Normally, if we go in and expropriate a piece of land, Mr. Speaker, you know, an arbitration board is set up under the Expropriation Act and there are in certain cases appeals from that. That is the procedure I would like to see followed here or perhaps we could have an arbitration under the Judicature Act under the appropriate provisions of that legislation, and they have often been used and indeed I think they have been evoked either by Javelin or by the government in connection with the Linerboard take-over. Indeed, if I recall correctly some of them are still in dispute and some of them are still subject to arbitration, some of the awards under the take-over of linerboards. I think there is still a row on. Fine.

My concern is not with Javelin. It is of no importance to me whether they get \$750,000 or \$350.00 or \$750 million. My concern is with the reputation of the Province. Everybody dealing with the Province knows that we have a sovereign right so does every province.

MR. AYLWARD: (Inaudible).

MR. ROBERTS: I am sorry?

MR. AYLWARD: You would not expect the Province to pay compensation to Canadian Javelin on the basis of an ore body there would you?

MR. ROBERTS: Oh, gosh, no! I mean -

MR. AYLWARD: (Inaudible).

MR. ROBERTS: It might very well be that we would have to set down the terms of an arbitration, you know. The honourable gentleman from Placentia East is more learned in the law than I am. But I understand, you know, you can have a wide range of opinions. What is its present value

and possible value, the two concepts? And obviously we would have to look at the present value concept and relate it perhaps further to specific expenditures and so forth. But even so, I think, that could be done, and I prefer that sort of proceeding to an arbitrary unilateral settlement. But again, you know, it was that sort of thought which led me to say that I am quite willing to suspend judgement until I have heard the minister speak to the point as to why the ministry did set this in this way. I think it is important, Mr. Speaker, not so much with reference to Javelin although we should do justice to everybody who deals with the government, be they

people with whom we are very happy or be they people with whom we are very unhappy. Obviously the ministry is unhappy with Javelin and I may add they are not the only ministry that has had its differences with Javelin from time to time. But, what concerns me are all the other companies and corporations who will be doing business in this Province. It is an unsettling precedent. We are going to be going out into the market now, as a Province, Mr. Speaker, in the next three, four, five, ten years borrowing hundreds of millions of dollars and dealing with a lot of banks and a lot of trust companies and a lot of financial institutions and what have you all over the world. I would think to raise the money we are going to have to raise the Lower Churchill, we are going to have to look everywhere there is money to be had. I think it is terribly important that we are very cautious and careful about our reputation.

I am not saying this will injure our reputation, but I think it needs fuller explanation and I think there is a possibility that if there is not fuller explanation, you know, we are open to attack, that we are somehow being a bit of a Banana Republic, just taking assets and arbitrarily assessing the compensation. If I were in the minister's shoes, I think I could possibly make a case for what has been done. Possibly he could make an even better case than I think can be made. But, I would like him to speak to that point.

Other than that, Mr. Speaker, the bill speaks for itself and is fairly straightforward and does not cause any of us on this side to feel affronted or anything else. It is perhaps not the happiest way to proceed but in view of the history of the dealings in this matter it seems to be the only way to resolve the dispute. It certainly will resolve it. The Crown will then own those minerals and the Crown can invite proposals for development and proposals for exploration and the Crown can decide in the normal course and that could be debated and challenged and what have you.

The only point in the bill which bothers me is the, you know, the decision to proceed with the compensation arbitrarily, just to set an amount and say, that is it and there is to be no more and, of course, no less. I would like to hear the minister speak to that. He may have spoken to it before. If so I did not hear him and I do not think he spoke to it at

great length. I think it is worth hitting upon not out of concern with Javelin. My concern is with other people who deal with this Province, and we have to be careful, very careful that they will regard us in a true light. I believe that that true light is and should be and must be that we are honourable men and that where we exercise our sovereign rights to take a piece of property, be it some mineral rights, be it a road or be it anything that we have the power to expropriate, where we do expropriate it, we do not do so without following - I do not want to call them the principles of natural justice because that has a meaning in law - but without following principles of fair play and principles that would be regarded by all with whom we do business as being fair play. I think one of the basic principles of fair play is always to provide adequate compensation for that which you take. If there are some special circumstances here and if there will be a claim coming in saying we got 100 million tons of iron ore in the ground and it is worth \$2.00 a ton profit to us and we are out of pocket \$200 million, well, you know, I would be quite prepared to see legislation which said that sort of claim would not be entertained.

But, whatever expenditures have reasonably been made, whatever, you know, may fairly be claimed as compensation, I think we should be willing to look at as a Province. We should be willing to pay if it had been determined according to the principles set down in the Expropriation Act, and the principles which have been well established in statute and in case law. I would feel a lot happier about that because I think that the Province would be better served.

Having said that, Mr. Speaker, I do not think there is anything more that I need say on the bill. I would be grateful though if the minister would table the correspondence. I do not think any of it was confidential in the sense of being marked private and confidential. There may be some technical information that might be of some use to somebody, although I tend to think that type of thing is overrated. Anybody in the business who wants to know anything probably knows it already by now. But I think it would help the House very much and I think the people of the Province are entitled to it, you know, to have the whole chain of correspondence available. The minister read it out and it was quite an interesting story. But I for one would certainly like the opportunity

to look at it at a little more length because I have little knowledge of the events in this bill other than what the minister has said and what one or two of his colleagues have said to me on a private basis. Well, that is it as far as I am concerned, Mr. Speaker. I would be grateful though if the minister could speak to the compensation point because that does bother me, and I am concerned, you know, that we will be getting a bit of a reputation as being somehow a Banana Republic, a bunch of men who just go in and take assets and sort of say, here is what you are going to get for them. Like it or not, it is all you are going to get.

I think this legislation is above attack in the courts. I think it is intra vires of us as a legislature. That means, you know, that what we have set as compensation would be it. That is fine. But that is a power to be used with the utmost discretion. I am not sure that that is the way we should have gone at it here. In any event, Mr. Speaker, I shall await the minister's remarks to that point because I am willing to suspend judgement on it. There is a provision here and I have raised some questions. The minister may very well be able to satisfy my concerns on it.

MR. ROBERTS: so, well and good. But in any event on the fact of expropriation itself, I think it is probably the only way out of this situation so with, perhaps with some reluctance, but in any event you know, quite, quite definitely I am prepared to vote for this bill and to see it become law.

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

MR. BARRY: Mr. Speaker, to deal with the compensation point referred to by the Leader of the Opposition, that is a point that we had to give some careful consideration to and the reason we have proceeded as we did proceed is because, Mr. Speaker, government has concluded and this is in recognition that there may be some ambiguity with respect to the wording of the lease and some ambiguity with respect to the matter, but in my opinion this is not an act of expropriation although to avoid lengthy litigation, lengthy tying up of the deposit and so on, it apparently has been necessary to frame it in such a manner. But in my opinion this is not an act of expropriation, this is an act confirming that certain rights have terminated. Now that may be cutting pretty close to the wind. It may be splitting hairs. In my opinion it is not. What we are saying is that any rights which Canadian Javelin had with respect to the Julienne deposit they lost because they failed to proceed with due diligence to develop a mining operation. But in recognition of the fact that there is ambiguity and in recognition of the fact that the deposit could be tied up for a considerable period of time, to make the situation as decisive and as clear as possible, to clarify the status of this deposit so that we can get on to attempt to develop it, it has been necessary to frame the legislation in a manner which could be taken as expropriatory or, what is the adjective there?

AN HON. MEMBER: Inaudible.

MR. BARRY: We will call it expropriatory action. It has been drafted in the form of an expropriating bill. But as I say again it is a matter of

opinion. It is government deciding on a course of action. But we submit that this should be viewed as an act to clarify the status of the Julianne deposit, to confirm that the rights of Canadian Javelin terminated not by government action but by the inaction of Canadian Javelin and NALCO.

In other words they had certain rights as set out by statute and by lease. They had to do something in order to continue to have these rights. They did not do it and they therefore lost the rights, not by this act but by the terms of their previous agreement and lease.

Now you can understand the obvious problems that would arise if you just threw the matter to arbitration without any limitation. The Leader of the Opposition referred to, and apparently would be prepared to accept limits on the terms of reference that the arbitrators could direct themselves to.

MR. ROBERTS: I would, yes.

MR. BARRY: Now that to me, you see, I see no difference in doing it indirectly and doing it directly because again you are arbitrarily -

AN HON. MEMBER: Inaudible.

MR. BARRY: But you are then arbitrarily setting a level on the compensation that the party would be able to get through arbitration.

MR. ROBERTS: Excluding certain things as -

MR. BARRY: Right. You are directing the arbitrator to include certain things in computing compensation and not to include other things. Well, Mr. Speaker, I am afraid that that to me is just doing indirectly what is being done here directly, namely to limit the amount of compensation that could be awarded. We do not think under the circumstances when we have had the rights in our opinion being lost by the company through the company's own choice, own inaction, that it should then be put in a position to be able to go in and make claims based on the fair market value of ore in the ground or the market value of the rights to the deposit.

There is another point here, Mr. Speaker, slipped my mind now but in any event this is as I say the position that we are taking is that this is an act to clarify the status, to confirm the termination of the rights under the Canadian Javelin statutory agreement and lease.

Now why did we feel that \$750,000 was an appropriate figure? Well, Mr. Speaker, we felt a bit safe in choosing a figure relating it to the expenditures made by the company because of the fact that the company had a legal obligation under the statute and lease to report expenditures to government as they were made. And the only expenditures that were reported were less than \$600,000. Now if the government says that more expenditures from this were made, I have to ask why were not those expenditures reported as they were obligated to do? So the expenditures that were reported were less the compensation set out in the act and there is an additional amount put in there to cover any ambiguous rights that Canadian Javelin might claim survived. In our opinion there were no rights that survived at this time because of the inaction of the company. But there is an amount in there that the company will have access to provided, as I said earlier, that it makes available the information it has on the deposit to government.

Mr. Speaker, the Leader of the Opposition asked why are surface rights so important? In our opinion this was a false issue, Mr. Speaker. In government's opinion the issue of surface rights was being raised as a cloak to attempt to hide the inaction of the company, the inability of the company to proceed with the development of this deposit. And as we clearly set out, we were prepared to bend over backwards to assist the company in reaching arrangements with its financiers if it wanted certain confirmations from government with respect to surface rights. The Premier, in his letter, has indicated what government would have been prepared to do, more than adequate in our opinion, Mr. Speaker, to permit the company to proceed with the development.

But surely, Mr. Speaker, nobody in this honourable House believes that government was being unreasonable in asking for the information it did, in asking whether the project was feasible, whether financing was available, whether marketing was available before it tied up surface rights, granted surface rights to the company which would then involve

a legal tangle, extensive litigations in the event that the company did not follow in the grant of the surface rights and proceed with development to the deposits.

AN HON. MEMBER: Hear! Hear! Carried.

MR. BARRY: So, Mr. Speaker, these are the only points that I think I need make at this stage. I think these are all the points referred to by the Leader of the Opposition. I will look at the correspondence, Mr. Speaker, and will attempt to table any correspondence which, in our opinion, does not contain confidential information supplied by the company and we will try and get this done as soon as possible.

On motion, a bill, "An Act To Provide For The Reversion To The Province Of Certain Mineral Lands In Labrador," read a second time, ordered referred to a Committee of the Whole House now by leave.

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

MR. HICKMAN: Mr. Speaker, we need someone to take the Chair.

MR. SPEAKER: The Hon. Member for Placentia East has been requested to take the Chair for Committee.

MR. CHAIRMAN (Mr. Aylward): Bill No. 86.

A bill, "An Act To Provide For The Reversion To The Province Of Certain Mineral Lands in Labrador."

On motion Clause (1) through Clause (3) carried.

MR. HICKMAN: Clause (4), Mr. Chairman, there are some amendments.

After Schedule B on page 3 of the bill I move the insertion of the word 'or'.

AN HONOURABLE MEMBER: Page 5.

MR. HICKMAN: Page 5. Then after rentals on the next line that the word 'or' be deleted and after improvements in the same line that the word 'or' be deleted. I think there is a comma -

MR. BARRY: The comma is inserted in both cases.

MR. HICKMAN: The comma is inserted in both cases.

On motion Clause (4) as amended carried.

On motion Clause (5) and Clause (6) carried.

MR. HICKMAN: Clause (7), Mr. Chairman. The third last line after the word agree, I move the insertion of the word 'as'.

On motion Clause (7) as amended carried.

On motion Clause (8) through Clause (10) carried.

MR. HICKMAN: Clause (11), Mr. Chairman. After the sixth line, after section (8) I move the deletion of the word 'or' and after section (15) the insertion of the following words, "or any action or proceeding in any court respecting the right to such compensation or any part of it, comma, and the third last line after or, nine months or, insertion, a period of. Then after the word adjudication in the second last line a comma.

On motion Clause (11) as amended carried.

AN HONOURABLE MEMBER: Inaudible.

AN HONOURABLE MEMBER: Delete the comma. Delete the comma.

On motion Clause (12) and Clause (13) carried.

MR. HICKMAN: Clause (14), after the word 'the' in the last line, the word 'original'. It will read the original notice.

On motion Clause (14) as amended carried.

On motion Clause (15) through Clause (17) carried.

MR. HICKMAN: Clause (18), line four. I move the deletion of the word 'application' and to be replaced by the word 'operation'.

On motion Clause (18) as amended carried.

MR. HICKMAN: Schedule A, there is a comma goes after November A.D., Javelin in Clause (2), the (e) comes off and there is a comma goes after A.D. the second last line and a comma after 2058. That is it.

On motion Schedule A as amended carried.

On motion Schedule B and Schedule C carried.

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

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

MR. CHAIRMAN (AYLWARD): The Committee of the Whole have considered the matters to them referred and have passed bill No. 86 with amendment.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and report having passed bill No. 86 with some amendment and ask leave to sit again.

On motion report received and adopted.

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

MR. HICKMAN: Mr. Speaker, I move that the remaining Orders of the Day do stand deferred and that this House on its rising do adjourn until Tuesday, June 24, at eleven of the clock, and that this House do now stand adjourned.

On motion that the House at its rising do now adjourn until tomorrow, Tuesday, at eleven of the clock.

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