



PROVINCE OF NEWFOUNDLAND

**THIRTY-SIXTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND**

Volume 4

4th. Session

Number 44

VERBATIM REPORT

FRIDAY, MAY 2, 1975

SPEAKER: THE HONOURABLE M. JAMES RUSSELL

The House met at 11:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

PRESENTING PETITIONS:

MR. SPEAKER: The honourable Member for Bonavista South.

MR. MORGAN: Mr. Speaker, I beg leave to present a petition from 569 residents on the Eastport Peninsula in my district of Bonavista South, and also part of Bonavista North. The petition is asking that the gravel roads on the Eastport Peninsula, the road leading from Eastport to Burnside and the road leading from Eastport to Salvage - these two gravel roads, each of them are approximately seven and a half to eight miles in length, eight miles I think to Salvage and seven miles to Burnside, these gravel roads, these two are the only gravel roads on the Eastport Peninsula.

The petition is signed by all the residents, by the residents in all the communities. For example, Eastport, the Town of Eastport, the community of Sandy Cove, the community of Salvage and the community of Happy Adventure. The 174 residents of Eastport, 82 in Sandy Cove, 146 residents of Salvage and 167 of Happy Adventure. A total of 569 petitioners. The fact that the road from Eastport to Burnside is not in my district but in my neighbouring district of Bonavista North, I would like to point out that the residents of St. Brendan's, the Island of St. Brendan's use that road extensively. It is their link to the outside world because their ferry service lands there at Burnside, and they use the road to Eastport and on to the Trans-Canada Highway.

Mr. Speaker, I think it is noteworthy this morning to mention that this is the third major petition from Bonavista South for road work during the last two weeks.

MR. NEARY: They need a new member down there.

MR. MORGAN: I pointed out earlier that the fact that Bonavista South has 115 miles of rough gravel road, I am sure this will be an important factor in taking into consideration by the authorities and by the Minister of Transportation and Communications, that Bonavista

South needs maybe more funds than other districts to overcome this problem of transportation. The fact that the district has been so neglected over the years that we still have 115 miles of rough gravel road, I think, warrants the expenditure of a little extra funds each and every year, especially this year to get some of the reconstruction work carried out in preparation for paving.

So, Mr. Speaker, I support this petition in the hope that - the petition is asking for the road to be upgraded and paved. Of course this is impossible to be done in one year. But, I support the petition and in doing so I am hoping that there will be some funds available to carry out some reconstruction work on not only the road which is in my district and to Salvage but also the road leading to Burnside and serving the residents of St. Brendan's. I move Mr. Speaker, that this petition be tabled in the House of Assembly and be presented to the department to which it relates.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, on behalf of my colleagues on this side of the House I wish to rise in support of the petition presented by the honourable Member for Bonavista South. I believe this petition is in conjunction with four petitions which I had presented to this House on Monday morning. I believe all these petitions were initiated by the Eastport Peninsula Development Association. Mr. Speaker, the roads from Eastport to Burnside and from Eastport to Salvage are indeed as the member mentioned very narrow and twisted and hilly roads and there are many very dangerous, and when I say dangerous I really mean very dangerous curves on hills which could result in, if something is not done with them, could result in fatalities in either the near or far future.

Mr. Speaker, I believe in this time and age in our Province that, and especially when one considers that we are going to spend something like \$1 billion and \$66 million this year, I think the government - I am not saying this because it is a Conservative Government - no matter what government is in office they should be able to find the small amount of money that is needed to upgrade and pave this road within a two year period. The whole Eastport Peninsula is certainly

a growing and thriving area. It has great potential in all aspects of our life, in farming, fishing, and especially in the tourist trade. I believe it is indeed very necessary for these two short pieces of road to be upgraded and paved as soon as possible. So, Mr. Speaker, I certainly give this petition my wholehearted support.

MR. SPEAKER: The honourable Leader of the Opposition.

HON. E. ROBERTS (LEADER OF THE OPPOSITION): Mr. Speaker, if I may say a word or two in support of the petition presented by the gentleman from Bonavista South, and supported by my friend and colleague from Bonavista North. I know the area well. It is one of the most attractive areas of this Province. It is an area which has shown very great determination and desire to get ahead. The Eastport Development Association or the Eastport Peninsula Committee for Progress, I think is its official name, is one of the best of the regional development associations in this Province. They have helped literally to turn that Peninsula around and make it one of the most, potentially one of the most prosperous and pleasant places in the Province.

I think anything we could do along those lines to help them, we should. It is little enough to ask. It is a relatively few miles of road. We add on to that, Mr. Speaker, the fact that the tourist industry is a very real industry in the Eastport Peninsula area. There are many parts of the Province which I guess have potential for the tourist industry, but none is greater than the potential which exists on the Eastport Peninsula. The park borders the Peninsula. We are going to have a large golf course at Sandringham which is the first community one comes to on the Peninsula after leaving the park to go down towards Eastport and on out to Salvage. The whole area is becoming one of the most favorite areas in Newfoundland.

Many people in Gander have summer homes there. Many people in St. John's are acquiring summer homes or retirement homes right from the area from Glovertown right out to Salvage and back down to Happy Adventure. So, for all these reasons, Sir, I think the petition has great merit and I would very much hope that the government this year will be able to get the work done. We have heard a great deal about a five year plan. There is no evidence of one yet. So, we will

not wait for the five year plan. Let me express the hopes that it will be done this year as part of a one year plan.

AN HONOURABLE MEMBER: A part of the election year.

MR. ROBERTS: An election plan.

MR. SPEAKER: Are there any other petitions?

The honourable Member for St. John's North.

MR. CARTER: Mr. Speaker, I beg leave to present a petition on behalf of some residents of Mount Carson Place which is behind Topsail Road there by ASKA SALES. The prayer of the petition is quite short.

We the undersigned residents of Mount Carson Place, St. John's North hereby request the Department of Highways to install ditches and upgrade and pave the road which is situated immediately in front of our property. Mr. Speaker, this petition is occasioned by the fact that Mount Carson Place is in a sort of no man's land between the City of St. John's and the, shall we say, the area that is under the control of the Province of Newfoundland. So often in North America the edges of the cities tend to be neglected until they are either incorporated into the city which they border or become a municipal

area in their own right. and I believe this is probably the problem. I think that this matter could be settled other than by presenting a petition, but I take the position that if I am presented with a petition from my district I am obliged to present it to this House. And therefore I do so in complete confidence that this matter will be attended to in short order. So I beg that this petition be laid upon the table of the House and referred to the department to which it relates.

MR. SPEAKER: The Hon. Member for Bell Island.

MR. NEARY: Mr. Speaker, we have no hesitation at all on this side of the House, Sir, in supporting the petition so ably presented to the House by the Hon. Member for St. John's North on behalf of the residents of Mount Carson Place in the member's district of St. John's North.

The member, Sir, in presenting the petition referred to this particular street as being no man's land. Well, Sir, I can think of no gentleman in the House more appropriate, more able to represent no man's land than the Hon. Member for St. John's North.

AN HON. MEMBER: You will after the next election.

MR. NEARY: I hope, Sir, that - well after the next election it will not be no man's land. There will be somebody looking after it.

The prayer of the petition, Sir, seems to be a very reasonable one. I do not think we should wait for a five year road paving programme or upgrading programme to have the ditches provided for these wonderful people who live out in that area. And I trust, Sir, that the Minister of Highways will now stand in his place in his usual typical fashion and say he is very happy to receive this petition and then make a firm commitment, not platitudes, not be wishy-washy, say to the honourable member, his colleague, we are going to see that these ditches and the upgrading that is necessary there will be done this year.

NOTICE OF MOTIONS

MR. SPEAKER: The Hon. Minister of Justice.

HON. T. A. HICKMAN (MINISTER OF JUSTICE): Mr. Speaker, on behalf of the Hon. Minister of Municipal Affairs and Housing I give notice that I will on tomorrow ask leave to introduce a bill, "An Act Further To Amend The City Of St. John's Act."

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

HON. L. R. BARRY (MINISTER OF MINES AND ENERGY): Mr. Speaker, I have a notice -

AN HON. MEMBER: By leave.

MR. BARRY: - by leave, if I might.

MR. SPEAKER: Agreed.

MR. BARRY: You caught me napping.

Mr. Speaker, I give notice that on tomorrow I will ask leave to introduce a bill, "An Act To Impose Taxes On Income From Mining Operations Within The Province And On Income Obtained Or Derived From Persons Holding Rights To Mine." This is a legislative draughtman's suggestion that it may be desirable to combine two of the bills that were presented, a notice of which was presented earlier.

MR. ROBERTS: Is the minister asking for the original ones to be struck?

MR. BARRY: Mr. Speaker, I think it would be better to leave it as it is now rather than strike them at this time.

AN HON. MEMBER: Rather than have three separate bills?

MR. BARRY: In case the draughtman changes his mind again.

ORAL QUESTIONS

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

MR. P. S. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Transportation and Communications. Would the minister inform this House if he or his department is considering giving an extension to the studded tires that people use?

MR. SPEAKER: The Hon. Minister of Transportation and Communications.

HON. J. G. ROUSSEAU: (MINISTER OF TRANSPORTATION AND COMMUNICATIONS): I think it is a fait accompli now, unfortunately it is two days after the timetable but -

MR. ROBERTS: Are you instructing the police not to prosecute?

MR. ROUSSEAU: Well, they have been instructed. As a matter of, fact if I may suggest, the R.C.M.P. have been contacted, and they normally are, especially in Labrador and the other areas, and they have been requested which is not necessary, they have been requested to act with discretion. And where there is snow or a snowfall like this I have no doubt that discretion will be used. And I just talked to the officials down in the department before I came up and we do not know of one person who has been prosecuted for the use of studded tires after the date. Now we are looking at this morning as - I was talking to one of the media and we are prepared to look at the balance between what it may do to the roads and the possibility of snow at this time of the year, maybe a week or two into May or so on and so forth, and we look at a balance of that for the future. But I think we can reply on the R.C.M.P. to use discretion now in respect to any -

MR. ROBERTS: Inaudible.

MR. ROUSSEAU: - prosecutions done on that. So, you know, I have no doubt that they will use discretion on it. And in the meantime for future years since the date has already past April 30, we certainly will take a look at it.

MR. SPEAKER: The Hon. Member for Bell Island.

MR. NEARY: Mr. Speaker, I wonder if the Hon. Premier would tell the House if he is now going to demand the resignation of the Minister of Justice because of the Premier's statements in Central Newfoundland that crime against people and property in that area is a big problem, and something needs to be done about it.

MR. SPEAKER: Order, please! The question is out of order.

MR. NEARY: The Hon. Premier I think wants to answer the question.

MR. SPEAKER: The question is out of order.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: The Hon. Premier.

HON. F. D. MOORES (PREMIER): Mr. Speaker, only the Minister of Justice can answer that question. The question from the Member for Bell Island, the answer is I did not say that it was on the increase out there. I do not know if you said that or not.

MR. NEARY: No I did not.

MR. MOORES: It is a problem everywhere and that is why they have the police, and that is why the police are doing their jobs. Of course, you can say there is a problem. But what he said the problem is being looked after and looked after to the best of people's ability.

MR. NEARY: Mr. Speaker, is the Premier aware that his Minister of Justice is taking an ostrich, head-in-the-sand attitude towards this whole matter.

MR. SPEAKER: Order, please!

MR. MOORES: Mr. Speaker, you know vandalism and delinquency is always going to be a problem. The Member for Bell Island is probably a good example of it.

MR. NEARY: Mr. Speaker, would the Minister of Justice then care to indicate to the House in view of the Premier's statements in Central Newfoundland is repudiation of the minister. Is the minister going to resign now as a result of this - non-confidence?

MR. HICKMAN: Do you want me to do it right now or a little later
on -

MR. ROBERTS: Preferably now.

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. HICKMAN: Later on this morning would be better, I think.

MR. ROBERTS: We have not got a House Leader now.

MR. SPEAKER: That question is out of order.

MR. NEARY: Mr. Speaker, I wonder if the Premier -

MR. ROBERTS: So is the minister -

MR. NEARY: - if the Premier could tell the House, Sir, now that Price Newfoundland Limited has definitely decided to truck its

paper to Botwood, would the Premier care to tell the House whether the government will give a firm commitment, no strings attached, no holds barred, that the upkeep of the roads that will be used by these big trucks carrying the paper to Botwood will be financed either by Price - the upkeep will be financed either by Price Newfoundland Limited or by the provincial government and not be a burden to the residents of Botwood?

MR. SPEAKER: The Hon. the Premier.

MR. MOORES: Mr. Speaker, naturally any highway improvements between Grand Falls and Botwood are not going to be the responsibility of the people of Botwood. The situation on it is that - I still by the way, and this is not just a personal opinion, I still feel very strongly that the railway, if it was at all possible, should be the method of transporting those materials. But if it is decided because of economics and because of absolute necessity that these trucks have to be used it will obviously require a by-pass road out of Grand Falls to take those heavy trucks off the town traffic and equally the same in Botwood. This should not be the responsibility of either of those two communities. I do not think it would be fair to ask them for it to be their responsibility. In the meantime the Minister of Forestry and Agriculture, the Minister of Transportation and Communications and the Minister of Manpower and Industrial Relations are having ongoing conferences both with Price Newfoundland Company and with the Town Councils of Grand Falls and Botwood. Equally we have been in touch with DREE to see what could be worked out on a tri-level government basis. And until these negotiations are finalized there is no other further information we can give, Sir.

MR. NEARY: Mr. Speaker -

MR. ROBERTS: A supplement -

MR. NEARY: Go ahead.

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

MR. ROBERTS: If I might, Mr. Speaker, in view of the Premier's statement that he feels, and I think I am quoting him accurately, Sir, - very strongly that these heavy paper rolls should be moved by rail and not by truck.

MR. MOORES: Inaudible.

MR. ROBERTS: I appreciate that. Would the Premier give consideration to adopting a policy that would prevent Price from trucking it because these are provincial roads and nothing can go on a provincial road if it is banned by the minister or by this House.

MR. SPEAKER: The Hon. the Premier.

MR. MOORES: That is why we are in negotiations with Price right now, and the detail of what is being discussed at that time I think it is better to wait until they have been concluded, Mr. Speaker.

MR. SPEAKER: The Hon. Member for Bell Island.

MR. NEARY: Mr. Speaker, just to get back to the Minister of Justice there for a moment, Sir, on vandalism. Has the minister instructed his officials to carry out an investigation yet into a stereo that was stolen out in front of this building the day before yesterday out of one of the policemen's cars who services this honourable House?

AN HON. MEMBER: Inaudible.

MR. NEARY: Right under the minister's nose.

MR. SPEAKER: Order, please! The Hon. Minister of Justice.

MR. HICKMAN: I want to keep this in proper perspective. I have to apologize to the House because when I was doing duty out in front parading up and down watching these cars I did have to leave for about one minute, and it must have been during that minute that somebody took that stereo. And I am sure that the entire 225 men in the Newfoundland Constabulary will have to be put to work on that item.

MR. NEARY: Right under the minister's nose.

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

AN HON. MEMBER: Inaudible.

MR. HICKMAN: Inaudible.

MR. P. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Transportation and Communications. Could the minister inform this honourable House if his department will be replacing -

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, on a point of order. I think Your Honour should discipline the House Leader, Sir, for this unwarranted and continuing interruption of the business of the House, Sir. Really!

MR. SPEAKER: Order, please! In the Chair's opinion there are a number of members who need to be disciplined.

MR. ROBERTS: Hear! Hear! Name them. Give us all the same.

MR. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Transportation and Communications. Could the minister inform this honourable House if his department is planning on replacing a small bailey bridge between Pool's Island and Badger's Quay this coming season?

MR. SPEAKER: The honourable Minister of Transportation and Communications.

MR. ROUSSEAU: I would have to take that under advisement.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, I would like to direct a question to the Minister of Forestry and Agriculture. Could the minister inform this House as to the location of the garden farming plots that his department is setting up for the citizens of the city of St. John's?

MR. SPEAKER: The honourable Minister of Forestry and Agriculture.

HON. H. COLLINS: Mr. Speaker, this great social programme of ours is just about to be unveiled so that all the people will know what is happening. Maybe this afternoon, I am not sure of this afternoon but hopefully this afternoon I will be able to make a statement on it whereby we will be providing some plots to people living in the Avalon region. What the sizes will be will be announced then. They will be larger than six by six. We are not, we could I suppose - I am

sure a lot of people in Newfoundland would be anxious and most encouraged if we did come up with some six by six plots. But there are other ways to bury this crowd over there and we do not need to waste the taxpayers money for that.

MR. NEARY: (First part inaudible) - Gander the next time.

MR. COLLINS: But we are going - We will see what happens in Gander. If the honourable member wants to come to Gander he can come out there.

MR. NEARY: Inaudible.

MR. SPEAKER: Order, please!

MR. COLLINS: I hear that Mr. Smallwood is coming back and I am sure that he would want to run in Gander because that is where things started for him. He has been -

MR. BARRY: (First part inaudible) They have sent him off to China for a couple of weeks.

MR. COLLINS: At any rate, I will look after Gander. But the announcement will be made over the weekend for sure on the garden plots.

MR. THOMS: Where?

MR. COLLINS: Pardon?

MR. THOMS: Where?

MR. COLLINS: On the Avalon region and later on in the various urban areas of the Province.

MR. THOMS: A supplementary, Mr. Speaker. Could the honourable member indicate to the House how many of these farming plots are to be available?

MR. NEARY: Off the Avalon Peninsula.

MR. THOMS: No, no.

MR. NEARY: Off the Avalon Peninsula.

MR. COLLINS: No, Mr. Speaker, I cannot say offhand.

MR. THOMS: Another supplementary, Mr. Speaker, if I can get any rise out of the minister. Could the minister inform this honourable House how much this total programme this year is going to cost the Government of Newfoundland?

MR. SPEAKER: The honourable Minister of Forestry and Agriculture.

MR. COLLINS: Mr. Speaker, the programme should not cost the taxpayers of the Province one cent because whatever funds we do expend in developing it we will get the funds back through rental of the plots.

MR. NEARY: Through DREE.

MR. THOMS: A supplementary. Could the minister inform this House what the rental of one of these plots will be, Mr. Speaker?

MR. COLLINS: I am sorry?

MR. NEARY: What is the rent?

MR. THOMS: What is the rent for a plot?

MR. COLLINS: I cannot say at this particular point, no.

MR. THOMS: You cannot say! Do not know very much about your department, do you?

MR. COLLINS: I know more than the honourable member knows.

MR. THOMS: Ten dollars a plot.

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, I wonder if the acting present President of the Treasury Board, Sir, the Minister of Mines and Energy can give us an update on the strike by the employees of the Newfoundland Liquor Corporation and will we be able to get a drop of stuff for the weekend?

MR. EVANS: Can you believe it, Sir? They are getting as thirsty as we are.

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

MR. BARRY: Mr. Speaker, I believe all the drug stores are open. So the honourable member can get to his aftershave quite easily this weekend like every other weekend. With respect to the strike of the liquor store employees there is nothing further to report. Nothing new has occurred to my knowledge, Mr. Speaker, since yesterday.

MR. NEARY: Mr. Speaker, a supplementary. Would the minister care to indicate whether his colleague, the Minister of Manpower and Industrial Relations has entered the dispute to try to bring the

parties back to the bargaining table?

MR. BARRY: Mr. Speaker, again we have an indication of how the honourable member believes the collective bargaining process -

MR. NEARY: I do, very much.

MR. BARRY: - should be carried on.

MR. NEARY: But you have a stand-off position right now.

MR. BARRY: Mr. Speaker, the honourable Minister of Manpower and Industrial Relations -

MR. NEARY: Is standing by, is he?

MR. BARRY: - is standing by on constant alert twenty-four hours stand-by, Mr. Speaker, to be at the call of either party in this dispute or any other dispute, provided - and standing by to be able to comply with any requests that fall within his authority. Other than that, Mr. Speaker, I cannot add anything that I think the honourable member would be interested in.

MR. NEARY: Mr. Speaker, another supplementary to the honourable minister. Would the honourable minister care to indicate whether negotiations are going on at the moment with any other groups? They have broken off now with the liquor store employees? Are negotiations going on with, for instance, with the civil service employees in the public service or any other groups?

MR. BARRY: Mr. Speaker, I will have to take that question as notice and get the information for the honourable member. It is my understanding that there are. Now, whether they are active negotiations or details leading up to negotiations, I would have to check with respect to each group to find out what the status is. I would not want to say it off the cuff.

MR. NEARY: Mr. Speaker, - do you want the floor?

MR. ROBERTS: Okay, let me ask -

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

MR. ROBERTS: Mr. Speaker, in the absense of the Minister of Manpower

who is apparently standing somewhere, let me direct a question to the Premier. Well, there is no Minister of Manpower in the House and the Premier either would know the answer or presumably could direct me to the minister who would. Could the Premier indicate what action has been taken with respect to the application by the Newfoundland Teachers' Association for the appointment of a conciliation board? Now, that negotiations between the government school boards on one hand and the teachers on the other have broken down at the conciliation officer stage, what action has been taken with respect to that application?

MR. SPEAKER: The honourable the Premier.

PREMIER MOORES: I should take that as notice, Mr. Speaker. I will not because I am pretty sure what will be done - and I cannot, this is not definitive - but I am fairly confident that the conciliation board will be agreed to by the minister, as I understand it. "Leo" would you have any more on that or not?

MR. BARRY: Not necessarily. It is not the proposal -

MR. NEARY: It is not planned.

MR. BARRY: - - - yes, Mr. Premier but it is being considered right now -

PREMIER MOORES: Yes, well, I will have to give definitive position when the decision is made.

MR. ROBERTS: A supplementary growing out of that. If the minister decides not to appoint a conciliation board, which is his right under the law, where then -

MR. BARRY: There is no indication -

MR. ROBERTS: No, I am not - there is no indication - there may be indications to the other way. Certainly the normal practice would be to appoint a board. There are appointed what? - at least nine out of ten cases a board is appointed upon an application. If it is not done, what then is the position and I ask because any number of parents

are worried about the potential of a possibility of a disruption of the teacher services. We are heading into the final exam period now, the final period of the school year.

MR. SPEAKER: The honourable the Premier.

PREMIER MOORES: It would be very wrong at this stage to forecast what the situation would be one way or the other, Mr. Speaker. I think it is very important that the conciliation board decision be made before we start making statements in this House that could be misconstrued, intentionally or otherwise, but that we get people unnecessarily upset one way or the other. I would think certainly very soon that decision will be made.

MR. SPEAKER: The honourable Member for Bonavista North.

MR. THOMS: Mr. Speaker, a question for the honourable the Premier. I wonder could the Premier announce to this House the road programme which he announced in Central Newfoundland a day or so ago.

MR. SPEAKER: The honourable the Premier.

PREMIER MOORES: Mr. Speaker, I did not know I announced any road programme in Central Newfoundland other than to say -

AN HONOURABLE MEMBER: We got you!

PREMIER MOORES: - other than to say which we have said before that in the five year programme every main and trunk road in the Province will be paved.

MR. NEARY: That is our programme. What is yours?

PREMIER MOORES: No, you came after that. You were a bit late.

MR. SPEAKER: Order, please!

PREMIER MOORES: There is only one other point. The Member for Bell Island says that that is their programme. Well, the Opposition which they will be for the next five years really will not have much to do with their programme. Ours is that we will pave all the roads in the Province.

MR. NEARY: Inaudible.

MR. SPEAKER: Order, please!

MR. NEARY: Why did they not do it? Why did they not do it?

MR. THOMS: Mr. Speaker, a supplementary. Do -

AN HONOURABLE MEMBER: Inaudible.

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

MR. THOMS: Do I understand from the Premier that he did not make any announcement as far as construction and paving of roads in Central Newfoundland is concerned?

PREMIER MOORES: I may have done it for the ones that were under tender or the ones that we hope to do, Mr. Speaker. I certainly did not give a broad brush statement of all the roads that will be done this year, although I think if we had gotten to the estimates we were in a position to talk about that in some detail.

MR. ROBERTS: It was your decision not to call this department's estimates.

PREMIER MOORES: No, it was the Opposition's decision -

MR. THOMS: You could have told them.

PREMIER MOORES: - the Opposition's decision to waste time so they did not get to it, Mr. Speaker. I mean let us get that in perspective. But the fact is I am sure it will be in the not too distant future that people will be advised what roads can be expected over the next five years.

MR. SPEAKER: The honourable the Member for Bell Island.

MR. NEARY: Mr. Speaker, supplementary, would the honourable the Premier care to indicate to the House whether the government has adopted now a new policy for calling public tenders subject to approval by DREE and what happens if DREE do not approve these roads where tenders have been called?

MR. MOORES: There is nothing new about that policy, Mr. Speaker. The fact is that DREE have not gotten the final approval for their highway programme which we have agreed between ourselves. In order to delay time as the honourable member probably knows, he may not know, there is a very short construction season in Newfoundland -

MR. NEARY: A very short time before the election too.

MR. SPEAKER: Order, please!

MR. MOORES: The Member for Bell Island has got a problem with elections.

Mr. Speaker, He gets very worked up when the subject comes up.

MR. NEARY: No I have not. The Premier has the problem, not me.

MR. MOORES: But the fact is, Sir, that the reason the tenders are being called early - now the election may not be until next year - but the reason the tenders are being called early is so that the people who are making the bids will be ready when the construction season is ready as opposed to other years calling tenders sometimes as late as June, July, by the time people get organized, the season is almost over and the projects for that year are not done. I think it is very important that tenders -

MR. NEARY: Has DREE approved?

MR. MOORES: No, I am being serious for a minute. I think it is very important any year, in highways or any other construction projects that tenders be called as quickly as possible. Probably the Member for Bell Island knows that this year we even had tenders called before the estimates were approved.-

MR. NEARY: That is contempt for the House.

MR. MOORES: - quite a few, and the reason for that was to make sure that the work is done in the year that it is budgeted for and not the year after.

MR. NEARY: Mr. Speaker, do I understand the Premier correctly in that DREE will be committed to this expenditure? Has DREE approved of this method of calling public tenders before they put their signature on the agreement?

MR. MOORES: Mr. Speaker, the fact is that the DREE Committee, the Department of Regional and Economic Expansion have agreed but they have to go through the formality, the red tape of Ottawa to get it actually cleared, but basically both parties have agreed. It is a matter of formalization by Treasury Board in Ottawa.

MR. NEARY: The government have agreed. The Civil Servants have agreed.

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

MR. ROBERTS: Mr. Speaker, a question for the Minister of Justice. Is the minister yet in a position to table the documents respecting the Government of Canada's participation in the water bombing incident he agreed to table in the House on Wednesday past?

MR. HICKMAN: No. That is not so. I undertook, Mr. Speaker, to consult with my colleague—the, whomever my colleague might be, whomever the appropriate colleague is, the Minister of Forestry and Agriculture or the Minister of Transportation and Communications, to ask them to check to see if it was appropriate and proper to table them and if they said yes I said I was sure that they would and I do not know if either of these honourable gentlemen are in a position to table anything today or not.

MR. ROBERTS: That is not what the minister said.

MR. HICKMAN: Well, if it is not what I said it is what I should have said.

SOME HON. MEMBERS: (Inaudible)

MR. SPEAKER: The honourable the Member for Hermitage.

MR. SIMMONS: Mr. Speaker -

MR. ROBERTS: If he would agree he would table -

MR. SIMMONS: A question for the Acting Minister of Public Works, I wonder would he -

MR. ROBERTS: There was a no agreement deal.

MR. SIMMONS: I wonder would the Acting Minister of Public Works brief the House on what is happening now to the -

SOME HON. MEMBERS: (Inaudible)

MR. SPEAKER: Order, please!

MR. SIMMONS: - on what is happening now to the proposals which were received a day or two ago for rental space?

MR. SPEAKER: The honourable Minister of Public Works and Services.

MR. ROUSSEAU: Yes, Mr. Speaker, I would be -

AN HON. MEMBER: Inaudible.

MR. SPEAKER: Order, please! There seems to be a conversation going on between the honourable Minister of Mines and Energy and the Leader of the Opposition, neither of which have the right to speak.

MR. ROUSSEAU: Yes, Mr. Speaker, the proposals were received the day before yesterday at five o'clock. The opening was attended by my colleague the Minister of Manpower and Industrial Relations and myself were there, the honourable Minister of Municipal Affairs and Housing makes up a three man committee appointed by Cabinet, a sub-committee to look at it. The honourable Minister of Municipal Affairs was not available so myself and the Minister of Manpower, along with Jack Ralph, the Deputy Minister and Les Newhook, an Administrative Officer in the division, and as well four people that I have since, I said four companies originally but I think maybe two of them were from one company so three or four companies were represented at the opening and anybody else who wanted to come of course were welcome. The tenders were opened and they were countersigned by both the minister and myself in the presence of Mr. Ralph and Mr. Newhook and the people involved.

Yesterday morning we had a short meeting, the committee, myself and my two colleagues and just discussed the way we wanted to go with it and then we called up the officials, Mr. Ralph and Mr. Butler, the Assistant Deputy Minister and they are now doing an analysis of the proposals. In other words we want to make sure that - there are a number of alternatives, you know, rental or buy it back in twenty years or build our own building or build on the Confederation lot, and they are going to look at each of these hopefully within four weeks, hopefully and maybe sooner, they will have the analysis done. The same time the proposal of our own department we are expecting any day now from - we had to update some figures from the Bureau of Management Consulting in Ottawa and of course we were not, the department was not involved in the five o'clock deadline, and when we get these figures of course we will have our own set of figures as to what it will cost us to build our own building here and that will then be brought to Cabinet and Cabinet will be guided I presume by whichever is best

is best to go and they will make the decision on the basis of the information that will be supplied by the department.

So it is out of government's hands now and in departmental hands and the analysis is proceeding. So I would anticipate, I am saying four weeks, I do not know, but that is what they suggested to me, three to four weeks.

MR. SIMMONS: Mr. Speaker, first of all in relation to what the minister said last about the possibility of the government building its own facility, I would assume the minister means that it would prepare a set of specifications and call a separate public tender, this is what the minister was saying, are the figures now available to the public or is the minister prepared to table the proposal documents from the six firms which have submitted proposals?

MR. ROUSSEAU: The figures are not - they are down in the department I guess. Yes, we are prepared to -

MR. MOORES: No.

MR. ROUSSEAU: One second now, we are prepared to -

SOME HON. MEMBERS: Inaudible.

MR. ROUSSEAU: - not at this point in time.

MR. NEARY: Almost got you that time.

MR. ROUSSEAU: One second now, we are prepared -

MR. MOORES: We are prepared to table the whole works.

MR. ROUSSEAU: We are prepared to table the whole works but not until the figures are diagnosed. The only thing we are concerned about, and I hope that honourable members understand, that there are a number of variables. You know somebody may quote a price for rent. Somebody may quote a price for by back in twenty years. Somebody may not do it. So the figures may not be accurate and these figures stick in everybody's mind, that would be unfair. Until you know the situation and after the analysis is done on the floor of the House, most definitely every one of them will be there you know -

MR. SIMMONS: Why do you not make it public now?

MR. ROUSSEAU: You know, I am not saying we are not going to make it public.

Undoubtedly they are floating around amongst people but until the analysis is done, and that is fair I think, and the people get a chance to look at them and compare and find out, then we will. But we have nothing to hide and I you know -

MR. ROBERTS: Inaudible.

MR. SPEAKER: Order, please!

MR. SIMMONS: A supplementary for the minister; is the minister in a position yet to indicate what route may be followed? I am not suggesting that he can decide how or determine which proposal would be accepted but is he prepared or is he in a position to indicate what route might be followed in terms of the government putting out a contract to provide space, constructed office space or to have to deal with one of these six companies in terms of one of the alternate proposals they have submitted?

MR. ROUSSEAU: I do not see why not because that is the whole exercise, you know, to look at the six proposals then and look at the cost factors in building or letting out a tender to build our own building and whatever. You know, that is the whole concept of what we are trying to do. So, no, I do not know because that would be predetermining what the analysis is going to tell us and we do not know at this point in time. We will go whichever way is in government's opinion the best way to go.

MR. SIMMONS: Two other supplementaries for the Minister, I understand the amount was 400,000 square feet, 400,000.

MR. ROUSSEAU: 100,000 by the end of 1976, and 300,000 by the end of 1980.

MR. SIMMONS: Yes. Would the minister first of all indicate whether in government's view these amounts of space provided for in the proposals will be adequate to meet the space requirements and will it mean that government services presently located in other buildings will then be located in one of two structures, the one we find ourselves in, and the one which would be provided for in the proposal? That is my first question.

Secondly, can the minister indicate, has he any idea at this point in time, when this office space will be available for occupancy?

MR. ROUSSEAU: Well the two questions, The first one is in the main yes, you know, on the figures we have from the Bureau of Management Consulting which is a federal consulting firm who did some work for us and on the basis of the information we have from our officials, yes we will need that much by the end of the decade. So in the main yes we may need a little less or a little more but generally speaking the consensus is 400,000 feet, centralized.

MR. SIMMONS: Will it obviate the need to use other buildings such as the Viking Building and the -

MR. ROUSSEAU: Oh yes. Yes.

MR. SIMMONS: Yes.

MR. MOORES: The idea is to try to get them -

MR. ROUSSEAU: Try to get them all under one roof as we said, that is the name of the game.

And the second question, I am sorry.

MR. SIMMONS: Well, Mr. Speaker, if I might repeat the second question, it relates to -

MR. ROUSSEAU: The date, excuse me, the date.

MR. SIMMONS: Yes. When, in broad terms?

MR. ROUSSEAU: Right. The term is this that the proposals called for a building occupancy by December 31 or January 31, 1977 or December 31, 1976, that was the date. So the first 100,000 feet must be available by December 31, 1976, that is part of the proposal or tender call. The others must

be ready by December 31, 1979 or January 1, 1980 whichever. So these dates are part of the specifications of the proposal call.

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

MR. ROBERTS: Mr. Speaker, a question for the Minister of Transportation and Communications on a different aspect of his responsibilities.

Earlier in the week he told the House that by Friday he would be in a position to say whether further road paving would be done on the Western side of Fortune Bay, the area from which has emanated the first demand for the minister's resignation. Today is Friday. Is the minister in a position to tell us what is to be done particularly in Wreck Cove and Boxey.

MR. ROUSSEAU: I am sorry. I am still not. Unfortunately, I have not had a chance to get together with the officials. If the House closes today, I might get a half an hour.-

MR. ROBERTS: Well, I do not know if the House is going to close today or not. The honourable gentleman will have to ask his colleague the House Leader who seems unable to figure out just how they will get it closed. I have a question for the House Leader, Sir.

MR. HICKMAN: It is no trouble to get the House closed.

MR. ROBERTS: Well fine, let us close her then. I move we close.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. ROBERTS: I have a question for the House Leader, Sir. Could the House Leader indicate whether the new Day Care Act will be brought before the House at this session? His colleague the Minister of Social Services is off to Ottawa or some such place. Could the minister indicate whether it will be brought before the House this session?

MR. HICKMAN: I do not know.

MR. ROBERTS: The minister says he does not know, and I accept that. Would he indicate to find out and perhaps let us know? There is considerable interest in it among a number of groups of people involved.

MR. SPEAKER: The Hon. Member for Bell Island.

MR. NEARY: A question to the Premier. Would the Premier tell the House whether or not he has made a commitment to any of the Tory members of

Parliament to double or triple the salaries of backbenchers in this House or ministers in this House in order to lure the Member of Parliament for St. John's West back to be a candidate in the next provincial election in Newfoundland?

MR. SPEAKER: Order, please!

That question is out of order.

MR. NEARY: Well, Mr. Speaker, would the Premier care, Sir, to tell the House due to his interest in cable television, if the Province will be making a submission, Sir, in September to the Canadian Television and Radio Commission to set up cable television in St. John's and in Newfoundland? Will the Province be making a submission?

MR. MOORES: I have no idea if we are going to make a submission to the group hearing it, Mr. Speaker, but we already have made representation to C.R.T.C. supporting the concept of cable television in the Province. And I might say at this time that at no time during that submission did we ever mention any one firm rather than any other, whether it would be Chain Rock or the others that are on the go. We have not taken any sides but I think if it can be done and done reasonably and in the very near future, I think it would be a good thing for our people particularly if some of the stipulations such as educational channels and this sort of thing are insisted upon by the C.R.T.C. I think basically it would be a good thing.

MR. NEARY: Mr. Speaker, a supplementary question to the Hon. Premier. Would the Hon. Premier care to tell the House if the administration is considering giving the jurisdiction and the responsibility and the legal right to municipalities in Newfoundland to operate the cable television set up in the Province as is done in some of the other provinces?

MR. MOORES: Not to my knowledge, Mr. Speaker. It is certainly something I will take notice of.

MR. SPEAKER: I will recognize the Hon. Member for Hermitage on a supplementary and then the time allotted for the question period will have been up.

MR. SIMMONS: A supplementary to the Premier. Did I understand him to say that in the government's representations to the Radio and Television Commission that he did not make a reference to any particular application?

MR. MOORES: That is right.

MR. SIMMONS: Mr. Speaker, in that event, I rise on a matter affecting the privileges of the House. The Premier has lied to the House. I have before me -

MR. SPEAKER: Order, please!

MR. SIMMONS: I have before me, Mr. Speaker -

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

MR. SIMMONS: I intend to set forth -

MR. SPEAKER: Order, please!

MR. SIMMONS: I rise on a matter of personal privilege of the House, Mr. Speaker.

MR. SPEAKER: Order, please!

The Chair recognized the Hon. Member for Hermitage on a point of privilege but in making the point of privilege it is certainly unparliamentary to accuse the Hon. Premier or any other Minister of the Crown of lying. It is certainly unparliamentary, and I would ask him to withdraw it.

MR. SIMMONS: It was not my intention. I think it was obvious I was looking for the right word. He said something which according to the record which I have in front of me is not correct. Call it what you will, Mr. Speaker. I have before me a letter which the Premier wrote to Mr. Pierre Juneau, Chairman of the Canadian Radio and Television Commission.

MR. MOORES: What date is it?

MR. SIMMONS: I have difficulty determining the date because it is included in a press release from Newfoundland Information Services which reads as follows: The following letter was sent today. Yes, well apparently the date of the letter would be also November 8, 1974. The letter is addressed to Mr. Juneau, and I shall not read all of the letter

but part of the letter to Mr. Juneau, the third paragraph reads:
At that time the only complete application before the commission
was in the name of Arthur Harnett on behalf of a company to be
incorporated -

MR. MOORES: Read it all.

MR. SIMMONS: In your reply of - well I do not propose to read all
of it, no.

MR. MOORES: (Inaudible).

MR. SIMMONS: I think, Mr. Speaker, I have already established
if we go back to the record of the House, Mr. Speaker, the
connotation which took place a few minutes ago, I asked the -

MR. MOORES: I made no representations.

MR. SIMMONS: - I asked the Premier -

MR. MOORES: (Inaudible) take an application (Inaudible).

MR. SIMMONS: Mr. Speaker -

MR. SPEAKER: Order, please!

MR. MOORES: (Inaudible).

MR. SIMMONS: Mr. Speaker, I will lay out the case as I see fit.

If the Premier does not like it he can -

SOME HON. MEMBERS: (Inaudible).

MR. SPEAKER: Order, please!

MR. SIMMONS: No, Mr. Speaker.

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

MR. SIMMONS: Mr. Speaker, I -

MR. SPEAKER: Order, please!

MR. HICKMAN: On a point of order.

MR. SIMMONS: I am standing on a matter of privilege now,
Mr. Speaker.

MR. SPEAKER: Order, please!

A point of privilege takes precedence over a
point of order.

MR. WEARY: Privilege of the House, privilege of the House takes
precedence over a point of order.

MR. ROBERTS: The Premier makes one statement to the House and it is not a correct statement and that is a privilege of the House.

SOME HON. MEMBERS: (Inaudible).

AN HON. MEMBER: Give him a chance to establish it.

MR. NEARY: Give the member a chance to make his case.

MR. SIMMONS: Mr. Speaker, I submit that the essential point has been established. I asked the Premier a few minutes ago if he had made any reference - I asked for a clarification before rising on the point of privilege. My question of clarification was, in essence, did he say a minute before, did he indicate to the House that he had not made reference to any particular application?

MR. MOORES: Applications.

MR. SIMMONS: No, Mr. Speaker. If you check the records I am prepared -

SOME HON. MEMBERS: (Inaudible).

MR. SPEAKER: Order, please!

MR. SIMMONS: If there is some doubt, Mr. Speaker - we have obviously hit a touchy point - if there is some doubt, let us recess the House and find out. I said, and I am sure I said, because I chose my words well on that one, I said, did the Premier indicate whether he had made any reference to any particular application? His answer was no. And I say he did. I submit that he has misled the House. I have with me a document I am prepared to table which proves the Premier has misled the House on this particular matter. I suggest that he asked to apologize to the House for doing so.

MR. SPEAKER: Order, please!

The Chair is certainly willing to recess for a few minutes and listen to exactly what was said and indeed get a transcript of it. On first hand it appears to the Chair that there might be a difference of opinion as to certain facts that were related. But the Chair will recess and hear the tapes to see exactly what was said.

MR. SPEAKER: Order, please! The Chair has listened to the tapes.

It is willing to hear the honourable Member for Hermitage very briefly state exactly what his point of privilege is and then probably take the matter under advisement and rule on it later.

MR. SIMMONS: Thank you, Mr. Speaker. In the exchange which took place between my colleague from Bell Island and the Premier, I think I heard the Premier indicate that he had not made any specific reference to any particular application in his communication to the Canadian Radio and Television Commission. I was not quite sure. I thought I heard that, so I asked for clarification. And the question I put to the Premier, I have not seen the transcripts, but in essence, as I recall, the question was, did I understand the Premier correctly in that he indicated he had made no reference to any particular application. His answer, as I recall it, was that he said he had not made any reference to a particular application.

Now, Mr. Speaker, it is not just a question of whether the Premier did or did not make reference. If we put this in context, this statement that we have here was made at a time in November 1974 when there was a considerable public controversy over a particular application, and this letter was written within a day or so of that controversy. I think the record will show that. I submit that he did make representation, but that is not my point of privilege here now, as it affects the -

MR. MOORES: (Inaudible) reference.

MR. SIMMONS: Well, I submit he also made representation but that is not my point in this particular point of privilege right now. My point here is that he has misled the House because I asked him if he had made any reference, his reply was he had not. I say he did make reference. I have a copy of the letter which he sent on November 8. I have quoted already from the appropriate part of it, and I quote as follows, third paragraph:

"At that time, the only complete application before the Commission was in the name of Arthur Harnett on behalf of a company

to be incorporated." The rest is not pertinent although I am quite prepared to read it, of course. I am also prepared to table this item if that is what is required.

The point of privilege affecting, or the point affecting the privilege of the House is that the Premier has misled the House. I feel he ought to be required to be directed by the Chair to withdraw and I make the following motion; that the Premier be directed to withdraw the offending words, to apologize to the House for his inadvertently incorrect statement.

MR. SPEAKER: The Chair is willing to hear the honourable the Premier and nobody else, and then take the matter under advisement.

MR. MOORES: Thank you, Mr. Speaker. The fact is that I was sure that the member had mentioned the word representation on behalf of a company, I thought was what his innuendo or what he was saying was. He says now it was reference. Well, Mr. Speaker, when one is talking about cable television in the Province, which has been ongoing for some two years, the word reference, if that was the word used, I certainly do apologize because there was a reference to an application for cable television, but only in this context, Mr. Speaker.

The reference was made because at the time the CRTC had been on the go for over a year, asking for applications for cable television in this Province. I had heard back from Mr. Juneau himself by telephone to the effect that he did not expect any applications for Newfoundland because it was a very difficult place and a very expensive place to have cable television.

Now, they then went and made an announcement, in November of last year I think the date was, outlining that they would be receiving applications. In the letter that the honourable Member for Hermitage mentions, he is absolutely incorrect, Mr. Speaker, in that I drew to the Commission's attention that there was an application on file, but I also said in that letter, which was conveniently forgotten in this case, my reference was to yes, there was an application on file. But what I said in that letter is my government making representation to the Commission for early introduction of cable television in

Newfoundland is only concerned with one thing, that the people of this Province not be deprived of service which is accepted right across Canada.

Now, as to who gets that cable television, we could not care less, Mr. Speaker, as far as this government is concerned. What we do care about is that we would like to see it here. Now if it is making reference to an application that was on record, the member is quite right, and if that was the word used I certainly do apologize to the House, but if it was representation on behalf of that company I would certainly not withdraw, Sir, because at no time have we ever made representation to the C.R.T.C. asking them to give a licence to any particular company, nor would we.

AN HON. MEMBER: To that point of privilege.

MR. SPEAKER: Order, please! Order, please! Order, please! The Chair has said that it would hear the honourable Premier and no other member and then take the matter under advisement.

ORDERS OF THE DAY:

On motion of the Honourable Minister of Manpower and Industrial Relations, a bill, "An Act Respecting Labour Relations," read a first time, ordered read a second time on tomorrow.

On motion a bill, "An Act To Provide For The Direction Of Intergovernmental Affairs In The Province," read a third time, ordered passed and title be as on the Order Paper.

MR. HICKMAN: Orders 5 to 25.

MR. SPEAKER: 5 to 25.

MR. ROBERTS: Your Honour, I would be quite willing if Your Honour wishes and I think it is procedurally in order to sort of give them en masse, Sir, with one exception, bill no. 20, order no. 11, I would like to say a few words on it, Sir, I was not in the House for the second reading debate, indeed I had understood it would not be coming up but it is there, that is fair enough.

The others, as far as I know, I am quite willing for our side to give sort of an en masse third reading. The bills have been debated

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by the House at second reading and Committee stage, but I would like to have a word on bill no. 20.

MR. SPEAKER: It was the Chair's intention to call them individually.

I was just trying to get clarification of no. 5 to 25.

MR. ROBERTS: Deal with each one individually, you know. Whatever Your Honour says.

MR. SPEAKER: I will call each one individually. Some honourable members may want to say something.

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

On motion a bill, "An Act Respecting Adult Corrections," read a third time, ordered passed and title be as on the Order Paper.

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

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

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

On motion a bill, "An Act Respecting Public Libraries And Boards To Operate Them," read a third time, ordered passed and title be as on the Order Paper.

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

On motion a bill, "An Act Further To Amend The Education (Teacher Training) Act," read a third time, ordered passed and title be as on the Order Paper.

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

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

On motion a bill, "An Act To Amend The Department Of Public Works And Services Act, 1973," read a third time, ordered passed and title be as on the Order Paper.

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

On motion a bill, "An Act Further To Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Leitch Gold Mines Limited (Agreement) Act, 1964, And To Make Certain Statutory Provisions Relating To That Agreement," read a third time, ordered passed and title be as on the Order Paper.

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

On motion a bill, "An Act Further To Amend The Summary Jurisdiction

Act," read a third time, ordered passed and title be as on the Order Paper.

On motion a bill, "An Act To Adopt An Anthem For The Province of Newfoundland," read a third time, ordered passed and title be as on the Order Paper.

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

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

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

On motion a bill, "An Act To Amend Certain Statutes Of The Province," read a third time, ordered passed and title be as on the Order Paper.

MR. SPEAKER: I said we were going to do bill no. 20, order II.

The honourable member -

MR. ROBERTS: I am not sure if - we seldom have a third reading debate.

I assume the Minister of Justice introduced the bill. Does the minister wish to say anything at this stage?

MR. HICKMAN: No, no, no. I did not introduce the bill. It was the Minister of Mines and Energy, Mr. Speaker. I would not anticipate -

MR. ROBERTS: Is the Minister of Mines and Energy within range?

MR. PICKMAN: He is within range but -

MR. ROBERTS: Perhaps the gentleman from Trinity North would be kind enough to get him.

Mr. Speaker, I had understood that the bill would not be called yesterday but it was called. I was not here yesterday afternoon in the House so I did not hear the minister's explanation of the bill. For the minister's benefit we are on bill no. 20 which is the act which will allow the assignment of certain rights in respect of the Upper Churchill to the Hydro Corporation. Now, I do not know if there is anything the minister wishes to say by means of beginning a third reading debate.

AN HONOURABLE MEMBER: Is there debate on third reading?

MR. ROBERTS: There certainly is a debate on third reading, Sir.

MR. SPEAKER: Debate is permissible. It is just that it is unusual.

I do not think that we have had one recently.

MR. ROBERTS: See I was told the bill would not come up yesterday.

AN HONOURABLE MEMBER: By whom?

MR. ROBERTS: By the honourable the Minister of Justice.

AN HONOURABLE MEMBER: No, no.

MR. ROBERTS: Yes, Sir. But I am not complaining. I mean, I have an opportunity to debate it here now and what I will -

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. ROBERTS: But, does the minister - I did not hear the minister's introduction. I do not know whether it was a long introduction or a short one. I just want what the minister said.

AN HONOURABLE MEMBER: Inaudible.

MR. ROBERTS: If the honourable gentleman wishes -

MR. BARRY: If the honourable member would yield. Mr. Speaker, as I pointed out yesterday the purpose of this bill is to, in recognition of the fact that Newfoundland Hydro, the new corporation is assuming the portion of the debt relating to the Upper Churchill project that was made with the Bank of Nova Scotia at the time of the purchase from BRINCO, in recognition of the fact that Newfoundland Hydro is taking over this debt and also of course will have the Upper Churchill assets through CFLCo contained in the new corporation, in recognition of this assumption of the debt, the purpose of this bill is to permit the royalties that will be generated and rentals by the Upper Churchill project to be paid to Newfoundland Hydro rather than going into the consolidated revenue fund as they are now required to do by the Financial Administration Act. So, it is as far as I can see fairly straightforward.

MR. ROBERTS: Mr. Speaker, let me begin by saying that at the appropriate moment I shall move the six month hoist on this bill. This might be an appropriate time to ask if we when the moment comes - I have not made the motion yet - if we could have a ruling on whether that hoist is debatable and I would say to Your Honour that if Your Honour wishes, if there is any question on the matter - I contend it is debatable - but if there is any question of it, I would ask Your Honour to allow debate to be - yes, it is with reference to the ruling made by the gentleman from

Port au Port when he was in the Chair. I have done considerable research on the precedents. I think Your Honour is aware of some of the precedents which I have found. If Your Honour wishes to rule now that a six month hoist is a debatable motion, then well and good. But, if not, perhaps Your Honour might wish to hear some debate, I am sorry, some argument to help Your Honour to come to a ruling on it.

MR. SPEAKER: The honourable Leader of the Opposition may continue to the point when he makes his motion for the six month hoist.

MR. ROBERTS: Thank you, Mr. Speaker. ('Herb' in on my desk on the right hand side there is a letter from Stanley Knowles. Will you try to find it or ask Mrs. Badcock for it.)

Well, Mr. Speaker, the principle of the bill has been outlined you know, succinctly and fully by the minister. I do think though there are one or two comments which are relevant and very relevant to the bill which may or may not have been made at second reading. But if they were made at second reading they will be none the less useful for having been made here. Now, Sir, as the minister indicated, the affect of this bill would be to allow the government to assign to the Hydro Corporation, the crown corporation which was set up by legislation we adopted earlier in this session, certain royalties and rentals set forth in what I shall call the lease. In the legislation it is defined, in the applicable legislation it is defined as the principle lease, but in any event the lease which has been entered into between the government of the Province on one hand and CFLCo on the other hand. That is the lease under which the development of the Upper Churchill River took place.

Now, Sir, the minister's explanation was accurate and it was full, but I submit, it was a little ingenuous. I think the matter should at least be revealed for what it is. At this stage, Sir, I am not necessarily objecting to what the bill will achieve. What I do want is to make sure that the people of this Province realize what is happening because I do not think they do realize. While the minister's explanation is accurate, it is certainly not complete.

Now, Sir, the position is this. It was full insofar as it went but it was not complete. There is a difference between full and complete. A grass can be full, Mr. Speaker, but that does not -

AN HONOURABLE MEMBER: Right.

MR. ROBERTS: There is a very important difference between full and complete.

Mr. Speaker, the Province of Newfoundland or the people of this Province got out of the Upper Churchill Development many things. They might not have gotten as much as some people would like, certainly not

as much as the wisdom of hindsight, and how easy it is to be wise after the fact. But, Sir, we did get a certain number of benefits and these were specified - the ones I am speaking about here now - in the lease. These were basically a royalty of fifty cents per horsepower year. In other words, for each horsepower generated for one year. I think a horsepower year was defined as 63,055 kilowatt hours. But, I am speaking from memory and the fact can be checked. The important one is, there was a horsepower royalty. It was fifty cents per horsepower per year. That is the royalty referred to in clause 1, of part 2 of the lease, the one referred to in section 2 (a) of the act before us now or the bill before us now.

That would amount in a normal year to about \$4 million a year coming into the treasury of the Province. I am not sure just how many horsepower there are or how the calculation has been worked out but it is of the order of \$4 million a year which we, the government of Newfoundland, would be getting in perpetuity from the Upper Churchill Development. It has got no relationship to taxes or to profits or to anything else. It was a straight fifty cents per horsepower per year. It was a royalty, a royalty for the use of our river.

But, that was not the only price which was extracted by those who made the lease. If I am not mistaken, Mr. Speaker, the lease was governed by a statute, by statutory conditions which were passed about 1952 or 1953, long before anybody in this House was involved in public life. I think the principle act was passed about 1952 or 1953. I do not have the principle act here, Sir, but that act was the one that set forth the conditions of the lease insofar at least as they affect us here now.

We got the fifty cents a horsepower. We also were -

MR. NEARY: They called it Bunko.

MR. ROBERTS: Yes. The Tories called it Bunko at the time. (Yes, that is it. Thanks). It is a little time bomb for the Chair.

The other price which BRINCO were required to pay - of course BRINCO in due course assigned their rights to CFLCo and who are now the corporation. In due course the government acquired Brinco's shareholding in CFLCo and we now hold about two-thirds of the shares. The other price, Sir, was a

rental of eight per cent of the profits as defined. Now, the profits as defined, Sir, were a work of the accountants art. The definition would fill the better part of a page in the statute books. It is a work of art. I have no doubt that many great minds tangled with it and many great minds helped to shape the definition of profits. It is there in the statutes for anybody who wishes to look it up. I do not pretend to be able to reproduce it accurately. But, as I recall it, essentially it was eight per cent of the gross profits before taxes, before depreciation, but after interest had been paid.

In other words, Sir, each year CFLCo, who because the entity under this lease, would tote up their income, their income mainly, almost entirely I would think from the sale of power. Once they had got their income they would write off their expenses and their expenses would include for these purposes only the interest they had paid on their borrowed money which would be several hundred million dollars I would think in a - well, no. Well, more than that, probably \$100 million a year going out from CFLCo in interest on their debt. They would also have the wages being paid to their employees, the men and the women working at CFLCo in Churchill or at Montreal, wherever they were. Then any other expenses. They had to buy a few pounds of baling twine or they had to put some gas in one of their cars, that would be considered. But, essentially those were the expenses. They did not include any payment to shareholders. They did not include the depreciation. Now, that is what I understand. The minister is probably more familiar with it than I am, but I think that is the basic way in which the profits for these purposes was computed.

MR. BARRY: It was Finance's responsibility more than Mines and Energy.

MR. ROBERTS: Well, I can appreciate that. I am subject to correction, but, it has been two or three years since I looked at it. I looked at it with some care at the time because we modelled the Shaheen clause on the Shaheen royalty on the present refinery on the BRINCO clause. The numbers are different. They are five per cent instead of eight but we did model it on the same concept of income less expenses less interest without depreciation, without any payments to shareholders

or management or, you know, anything else, management fees in the Shaheen case.

Now, Sir, that is a considerable sum of money. I do not know how much it is. I do not think the House has ever been given the information certainly in the last two or three years. Mr. Smallwood a number of times made public some estimates which had been provided to him by BRINCO and checked by the Finance Department. I confess I do not recall what they were but they were many millions of dollars a year coming out of eight per cent of the gross profits of BRINCO and then add on the \$4 million a year in round figures in horsepower royalty. That was what the Province was to get, Sir. In addition - this is sort of what we get as landlords, as the people who own the river, the people who leased the right to develop that river and the right to take the power developed and to sell it to a customer - in addition of course we were to get the tax revenue. BRINCO in those days, or CFLCo at that stage of course, was a private corporation. The Government of Quebec owned one-third of the shares which they got by a form of subterfuge when they nationalized the Shawinigan Power - I think it was called Shawinigan Power Company Limited, whatever it was called, the Shawinigan Falls or the Shawinigan Power Company back in the early 1960's after the ^Amaître chez nous election of 1962.

So, BRINCO being a private company, CFLCo being a private company, of course, they were liable to taxes. We were to get - the Government of Canada would collect the normal corporation tax. They would rebate fifty per cent of that corporation tax to the Province of Newfoundland as they do with all corporation taxes generated by all utilities across Canada, the very few that are left now, the Calgary Power, the Newfoundland Light and Power. I think Nova Scotia Light and Power has been taken over. I think Prince Edward Island still has private power. But, in those few provinces, Your Honour, where there is still a private utility, the practice, the law and this has been so for many years now, is that fifty per cent of the corporation tax which Ottawa collects, and Ottawa's corporation tax as Your Honour knows, is in round numbers, it varies from province to province, fifty per cent of the income of that company, fifty per cent of fifty per cent would be sent forward to the Province. In other words, we would

then get twenty-five per cent of CFLCo's taxable income, and we would get that on top of our fifty cent a horsepower year rental, and we would get as well eight per cent of the gross profit as I have explained it. That would be, if you wish, landlord take from the Upper Churchill project.

Now, Sir, I have not belaboured the point but I have gone into it in some length, because I think it is an important point. We would have gotten all of that whether or not the government owned CFLCo. The government's decision to take \$160 millions of our money and to buy the shares, a two-third share interest held by BRINCO from BRINCO and to buy it for the people of Newfoundland, in the name of Crown, did not change that fact. It may have changed the tax fact, because of course BRINCO when all of the shares were held either by the Crown in right of Newfoundland or the Crown in right of Quebec, Quebec Hydro, BRINCO then became a Crown Corporation. It was not subject as of that point to any further income tax. Crown Corporations do not pay income tax under the federal income tax law, and our income tax law is the same. So, you know, that money no longer would come to us by way of taxes from Ottawa; but it would of course accrue to us in the form of increased profits and we would be entitled to two-thirds of those.

Now, Mr. Speaker, perhaps I should touch on one other thing because it is relevant. Back in 1965 the Government of Canada agreed that instead of giving the Province, this Province or any other province, fifty per cent of the Corporation tax collected, they would give the Province of the order of ninety-four per cent of the Corporation tax collected from utilities, the remaining amount between the ninety-four point something and the one hundred per cent was the amount of the Corporation tax that went to the Old Age Security Fund, a portion of all Corporation taxes is designated for that fund which is sort of a trust fund in the National Accounts of Canada - and I was going to say the, you know, one or two per cent that the Finance Department in Ottawa regarded as an assessed, as an administration charge for the work to which they had gone in collecting the money and, you know, getting a cheque in from CFLCo

or BRINCO, CFLCo I guess, and then sending the cheque on or a cheque on to the Government of Newfoundland.

The Government of Newfoundland under legislation which was supported unanimously in this House agreed to take that extra amount which was, from memory, forty-seven point five per cent, but I am subject to be corrected, but whatever the extra amount was and turn it back to CFLCo. And that was done. And we understood at the time, and I have not heard anything to the contrary since, I may add, that that was the extra amount of money which made the project commercially feasible and, I suppose, commercially attracted. In any event that was done.

Now, Sir, when the government bought the two-third interest in CFLCo we lost the right to get taxes, There just were to be no taxes to be paid so obviously we we not get any. That cost us some money, because, Sir, Your Honour could say or one of the ministers could say look if there are no taxes that is all the more profits. But, Sir, we are entitled to only two-thirds of the profits because we hold only two-thirds of the shares. Quebec Hydro holds almost precisely a third of the shares. Again the precise figures I do not have, but they do not really matter, they hold about one third of the shares which they have acquired by expropriation and by purchase.

MR. BARRY: Not finalized yet, by the way, that Crown Corporation status.

MR. ROBERTS: All right. Well then, you know, I will deal with it - I had not realized that, but I shall deal with that point.

MR. BARRY: Inaudible.

MR. ROBERTS: Yes.

MR. BARRY: Crown Corporation that is okay.

MR. ROBERTS: Well it is -

MR. BARRY: ... two provinces, it is a sort of a -

MR. ROBERTS: It is a very neat point. It has never risen before.

MR. BARRY: But there does not appear to be any problem in getting - and it may be virtually settled by now.

MR. ROBERTS: I thank the minister. And Hansard would not get it all. Let me just repeat it for Hansard. What he said is simply that the status of CFLCo as a Crown Corporation is still not settled. It looks like it is being resolved. Because, of course, the very neat point is that the Income Tax Act says a Crown Corporation is a corporation - ninety per cent of the shares of which are held by the Crown in the right of a province - or words to that - that is almost an exact quotation of the applicable section of the act. Here we have a Corporation ninety per cent or more of the shares of which are held by the Crown in right of two province. Well it is a good point. I am not aware of any Crown Corporation that has ever been in that position before, normally they are owned either by Ottawa or by the government of just one province. But in any event it would be unthinkable of Ottawa not to regard it as a Crown Corporation.

Actually it would be to our advantage if Ottawa did not regard it as a Crown Corporation - well, you know, we can have a long debate on the equalization formula -

MR. BARRY: First of all you have also got to keep in mind that there are indications that any benefits flowing from the change of status will flow through to the Province completely. In other words -

MR. ROBERTS: Well, you know, perhaps the minister could explain that -

MR. BARRY: Quebec may be interested in -

MR. ROBERTS: Quebec may waive their rights, but if so that is an act of charity on their part or an act of generosity. And my usual response to acts of charity by governments is, you know, beware of Greeks bearing gifts, because what they lose on the zigs they will make up on the zags.

But in any event the point that I am making with respect to this Bill, Sir, really is not terribly involved with the income tax thing. I merely wanted to put that on the record so that the House would be aware of the income tax complications. We do not get the tax any more, because there is no tax assuming it is a Crown Corporation.

We do get two-thirds of the profits, and if the tax goes back in the Province we get two-thirds of what would have been paid in tax. We may get it all if Quebec, if the other shareholders say we waive our right to it. That is what the minister is saying, that in effect Quebec hopefully will waive it. They will say, all right boys, we would not have gotten it any way, so we are not going to insist on it now. Well and good. Well and good.

But the point I am making, Sir, is with respect to the matters in this bill which were the other two sums of money which the Province of Newfoundland got each year from the Upper Churchill. Now, Sir, I do not say the government have misrepresented the position on this, but I will say that when this bill came into the House was the first indication that any of us had, and the minister's explanation a moment or so ago confirmed it, that the government intended to use the money from the Upper Churchill, not the profits, not the profits earned by that company but the money from the Upper Churchill that accrued to the Province to pay off in part the loan which the government raised from the Bank of Nova Scotia as it happened, although it will be put on a longer term basis I would hope than a bank note, to pay it off. In other words, Sir, we are not going to pay for the Upper Churchill out of the profits which the Upper Churchill generates, and it is a profitable little operation. We are not going to pay for it out of those profits, we are willing to pay for only part of it out of those profits. The rest of it, Sir, is going to be paid for out of the money which we had otherwise for our own use. Now if that is so, Sir, and the minister's - I do not think there is anything in the budget. The minister is looking at the budget supplement, I do not think -

MR. BARRY: I am just looking at the number of dollars that are going in, of course the deficit -

MR. ROBERTS: The point, yes but the point -

MR. BARRY: - you see the dollar is out of one pocket into another -

MR. ROBERTS: Well the minister may say it is dollars out of one pocket and dollars out of another, in a sense it is -

MR. ROBERTS: - it is all the government.

MR. BARRY: If it is not paid that way, it is paid anyway, you know.

MR. ROBERTS: All right, but that is precisely the point which I am making. And I will not say there was misrepresentation, but I will say that there was misunderstanding on this side of the House and I venture to say throughout the entire Province.

MR. BARRY: From what?

MR. ROBERTS: Newfoundland was entitled, Sir, to \$4 millions plus eight per cent of the gross profits which will be another number of millions of dollars a year, a large number of millions, it might be \$10 millions or \$15 millions or \$20 million, I do not know but eight percent, one-twelfth of the gross profits of BRINCO, of CFLCo, I am sorry, in a year would be a substantial sum of money, a very substantial sum of money. We were entitled to that anyway, Sir. Now we are discovering that we are not, or I should say we are entitled to it, we are entitled to it anyway. Then, Sir, we were told, and the word was widespread throughout the Province, that we would pay for the purchase of the Upper Churchill's shares out of the profits which those shares would generate. We asked the Minister of Fisheries about this House on the debate on the Hydro Bill earlier in this session. He made quite a lengthy statement. I have not read it through recently, I read it through at the time and I listened to him, but he at no point made it clear, as I recall it, that the profits from the Upper Churchill were not going to be enough to retire this loan, not be enough to pay for it in the seventeen years which we were told. He

did not make it clear, Sir, and it is a very important point that we are going to have to give to the Upper Churchill to retire that loan, we are going to have to give several millions of dollars which otherwise we had for our own from the public treasury. We were entitled to get it anyway. We would have got it no matter who owned it. If BRINCO had sold their shares to Mitsubishi in Japan we would still get the four millions a year horsepower rental and still get eight per cent of the gross profits.

MR. NEARY: This is over and above what we will get -

MR. ROBERTS: Right. We would have got that anyway. That is our landlord's rent. That is what we got for renting the Upper Churchill. Now, apparently we are going to have to kick in our rental.

MR. BARRY: There is nothing in this bill that says that this is -

MR. ROBERTS: But the minister said so. I mean the minister's explanation -

MR. BARRY: No, I did not say so.

MR. ROBERTS: I am sorry, Mr. Speaker. I heard the minister not fifteen minutes past say so. He said that the money was going to be assigned to the Hydro Corporation because the Hydro Corporation now owns the shares of CFLCo. The Hydro Corporation is going to have to pay off the debt. They have assumed the debt and that they are going to need this money to help them to pay off the debt.

MR. BARRY: I did not say they were going to need this money in order to help them pay off the debt.

MR. ROBERTS: I, with all the respect in the world, Sir, say that that was what the minister said.

MR. BARRY: Well, you had better check -

MR. ROBERTS: Well, either we can have the tapes. We can have another little adjournment and have the tapes or we can have the Hansard which will in due course appear.

MR. BARRY: (Inaudible.) aside from that (Inaudible).

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

MR. ROBERTS: Well, the minister in due course will have the opportunity to speak and to say whatever he wishes. The point I am making is that we have assumed, we the people, anybody the least bit interested in this matter all along has been under the understanding and I could go so far as to say have been lead to believe that the profits alone, that our two-thirds of the profits alone together with the tax angle would be sufficient to retire the loan within, I think the Minister of Fisheries told us, seventeen years at the present interest rates. Now, Sir, it turns out that apparently that is not the case. Sir, I do not necessarily object to that but I think it should be recorded, I think it should be noted, I think it should be known that the cost of the Upper Churchill is not going to be paid for out of the profits which the Upper Churchill generates.

MR. BARRY: That is your opinion.

MR. ROBERTS: Hold on now. Hold on now. The minister is caught on the horns of a dilemma and he has got one horn going up in him now and he will get the other one in a second. It is not being paid for out of the profits but rather we are going to have to chuck in \$8 million or \$10 million or \$12 million or \$15 million a year, whatever the total is of the \$4 million horsepower royalty rental together with the eight per cent of royalty of the gross profit, we are going to have to chuck that in to the pot to pay it off. In other words, that - now, that is one interpretation. It is either that, Mr. Speaker, it is either that or the government are going to subsidize the Hydro Corporation by the same amount. Now, maybe the minister will get up and attempt to becloud the issue by saying this, by saying this, that we are not going to use that money to pay off the loan. The Hydro Corporation will generate the money to pay off the loan from profits from their shares, dividends on their shares and other sources. We are just going to put -

AN HONOURABLE MEMBER: Bay D'Espoir.

MR. ROBERTS: Bay D'Espoir or anywhere else. We are just going to chuck the money into the Corporation to pay some other expenses. But either way -

MR. NEARY: The backdoor way.

MR. ROBERTS: The gentleman from Bell Island says a backdoor method. Now, Mr. Speaker, the other interpretation, the other reason behind - this bill has a reason behind it, Sir. It has an effect, of course, but it has a reason and the reason is either the one I have just suggested, that the government are going to have to chuck in another \$8 million or \$10 million or \$12 million or \$15 million, I know not how many millions a year out of the provincial treasury. In other words, we would get and be able to use for roads or schools or hospitals or anything else, all the other purposes for which provincial money is spent, either that -

MR. BARRY: I was just checking what we have been throwing in.

MR. ROBERTS: All right. The honourable gentleman can check -

MR. BARRY: Over the years.

MR. ROBERTS: We have been throwing in - sure. But I am talking about how much more is going in.

MR. BARRY: No, no.

MR. ROBERTS: That money from - if it were not for this bill that money, and there is no doubt in my mind that the Governor in Council will exercise the power granted to him under this bill. This is not an empty power. It is not a standby power. I have no doubt, Sir, that the appropriate Order-in-Council will be issued just about the time that the ink of the Governor's signature is dry on this bill. I have no doubt at all that that will happen.

So we are being asked now to chuck in to pay for the Upper Churchill, the money which otherwise we would have gotten from the Upper Churchill.

MR. BARRY: There is going to be less to pay next year in the way of subsidy which we have been doing all along.

MR. ROBERTS: The question of subsidy has nothing at all to do with this. If there are subsidies they have nothing to do with the Lower Churchill or the Upper Churchill. There are subsidies. They are the Industrial Incentives Act subsidy in the case of ERCO, a magnificent disaster and that is what it is, or the subsidy which was paid and which is not in this year's estimates. It is not needed in this year's estimates apparently for excess generating capacity and the minister told us in the estimates of his department at Committee that we no longer had an excess generating capacity problem. That is not a new problem. It was well known. It was outlined in this House a number of times over the years.

So, Sir, all I say is let it be recorded. This is what is happening, that we the Province buying the Upper Churchill shares apparently was not as good a deal as we had been lead to believe. We had been lead to believe that it would generate sufficient revenue to pay for itself in seventeen years. I do not know if the Minister of Fisheries used precisely those words. I have not checked the Hansard on that point and it has been a month or two or three since I read it. But now it turns out that the profits are not going to be enough to pay over a seventeen year period. We are going to have to chuck in each year \$4 million. The Premier shakes his head. Maybe the Premier can explain it. I am merely going on the information which is public, the information which his own colleague gave in the Committee, in the House, I am sorry, a few minutes past. Now,
AN HONOURABLE MEMBER: - - crown corporation - -

MR. ROBERTS: The minister has said the crown corporation is not settled as yet. The Premier may know more than the minister does. I went into some length on the question of the crown corporation, the tax status. I can also talk about the effect on equalization and so forth and so on. But indeed, changing it, changing it, Mr. Speaker, and I do not know if the Premier realizes this point, changing it from a crown corporation, I am sorry, from a private company to a crown corporation so no taxes are paid does not in this case necessarily benefit us because we get all the tax that

would be paid by a private corporation and we have to be able to put 47.5 per cent back. That 47.5 per cent does not change. It still goes back to the corporation because it is built into the corporation's cash flows. That cannot be changed. So we are looking at the fifty per cent of the corporate tax - the Premier is with me I know - on the fifty per cent of the corporate tax which would have been rebated from Ottawa which we would have kept in our greedy little hands in the government of the Province. The Treasury, Mr. Martin, the Controller would have gotten his hands on it and held on to that. If that is not paid to Ottawa and sent back to us, that fifty per cent of the tax paid which is about twenty-five per cent of the income, we only get two thirds of that because the only claim we then have on the revenues of the company - the minister may - but the only claim we have on the revenues of the company, of course, is our shareholders claim which is two-thirds of the net, you know, what is left after everything is paid out, if you wish, the profits available for distribution.

The minister did say that Quebec may out of the generosity of their hearts agree to waive their claim to that to which my reply was well and good with my experience with dealing with any government including the Government of Quebec is that they drive a hard bargain and that beware of Greeks bearing gifts. If they are doing something for us here we are going to pay for it somewhere else.

Now, Sir, the point I am making and it is worth repeating is that apparently many millions of dollars a year are going, that would otherwise go to the Provincial Treasury and be available for all the purposes which the Provincial Treasury spends money on, that now that money is going to go, not to the Provincial Treasury, it will go directly, the landlord's rent will go directly to the Hydro Corporation who are not the landlord. The people of Newfoundland are the landlord. We may own the Hydro Corporation but we are the landlord and they will have it in their pocket and it will go to pay out the loan. The minister can say that it will pay the subsidies. That is very fine, pay very fine but the subsidies we have known about all along, they are there under the Industrial Incentives Act and under the other applicable

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legislation. They are there. But nobody was told we would have to give up our income. I mean for the minister to attempt to put that up as an explanation, Mr. Speaker, is simply to say that we are going to have to pay some money out on our debt, therefore, we will not collect any taxes due to us, we will just the taxes and send them, say to the taxpayers, send them directly off to the holders of our debt.

Sir, I will not say the people of Newfoundland have been misled. But I will say, Sir, that they have misunderstood, that it has not been explained fully, it has not been explained completely, that the whole deal was not made clear until this bill sneaks in and it nearly sneaked through the House. Now, Sir, there may be another interpretation. I am feeling charitable, Sir. Maybe the Province is not trying or the government are not trying an effective bunkum deal on the people of the Province. Maybe, Sir, maybe the profits from the Upper Churchill will be enough over seventeen years to retire the debt with interest, \$160 million with interest.

MR. BARRY: Why are you saying seventeen years?

MR. ROBERTS: Well that is the figure the Minister of Fisheries gave us. I did not invent it. He may have invented it, but I am quoting it. It means we paid at least seventeen times earnings for the company, a very generous price indeed. Now, Sir, it may be that the profits, our shareholders' profits will generate enough money to pay for our shares because that is what we are talking. If that is so then the situation is even worse because what this bill will do will allow the minister and his colleagues to hock the revenue for years to come from the Upper Churchill, pledge it doubtless against the Lower Churchill or against some other development. Here we are now, we had a long debate in this House. We had some commitments from the Premier that legislation would be brought in. It has not surfaced yet. Hopefully, it will surface.

MR. MOORES: It will.

MR. ROBERTS: Well the Premier says it will. That is fine. I am merely saying that it has not. But here the government are being allowed to sock out I do not know how many million dollars, \$4 million a year, plus eight per cent of the gross profit which would be very substantial. It could be another \$5 million or \$10 million or \$15 million a year. We are not talking, Sir, of a rent on Omega apartments or even Elizabeth Towers, \$300 or \$400 a month. We are talking here of \$5 million or \$10 million or \$15 million a year

MR. BARRY: No, \$5 million a year.

MR. ROBERTS: - the gross profits, eight per cent of the gross profits of that company.

MR. BARRY: In 1975, \$3 million.

MR. ROBERTS: 1975 it is still coming on stream.

MR. BARRY: They reached maximum or rated capacity there at one stage.

MR. ROBERTS: What are the gross profits going to be of CFLCo, gross profits as defined?

MR. BARRY: This is a projection of 1975. The amount of rental that we did recover in 1974 was \$2,300,000 and the amount of royalty was \$1,700,000 for a total of \$4 million in 1974. The total rental and royalty in 1975 was estimated to be \$5,300,000.

MR. ROBERTS: Well we should be getting more than that because we should be getting nearly \$4 million on the horsepower royalty alone. It is fifty cents per horsepower per year. That is what the legislation says. And there are approximately 8 million horsepower being generated. So, Mr. Speaker, it is one or the other. Whatever the sum of money is it is many millions. It is millions that we would be entitled to that the Minister of Finance normally would count upon when he comes to tot up the revenue available to him to meet the demands for expenditure. It is one or the other.

MR. NEARY: Explain something to an ignoramus like myself. The interest on the loan is \$5 million?

MR. ROBERTS: Oh gosh, at least.

MR. NEARY: Is it \$5 million a year? The rate on the Upper Churchill is only going to be what? What is the total revenue?

MR. ROBERTS: Well we do not know what the revenue - the shareholders' revenue will obviously be enough to pay off the \$160 million capital plus interest. We do not know how long it is going to be. The Minister of Fisheries led us to believe that it would be seventeen years. But it now turns out that we are going to have to chuck in another \$5 million or \$6 million or \$8 million a year into the pot to sort of sweeten the deal.

MR. BARRY: That is your story. I mean, that is your pitch.

MR. ROBERTS: I do not pretend to be privy to the dealings of CFLCo, Sir. I am not on their board. It is stuffed with some Tory hacks, and it also has got some able people on it. Mr. Groom does not report to me. He has a luxurious country house not far from my humble little home. But he does not report to me. I run into him now and then around town, a pleasant enough chap. We have a pleasant chat. But I do not have any information on what is going on in CFLCo and neither do the people of Newfoundland. All we are doing is paying for it, \$160 million on the credit and now another \$4 million or \$5 million or \$6 million, we do not know how many millions chucked out, and if CFLCo makes \$100 million or \$200 million a year gross profit, and if we are entitled to eight per cent of it, no longer do we, the people of the Province, get it. It goes directly into the Crown Corporation and out it goes. There is no control over it. Never debated in this House where it is spent. It is like the Labrador Linerboard. We have not heard of Labrador Linerboard since it was up. There are no annual reports, no profit and loss statements, nothing except another \$25 million lashed out.

MR. NEARY: Mr. Ingram -

MR. ROBERTS: The Minister of Fisheries' executive assistant has now been stowed away in a lovely little job as corporate secretary to Linerboard getting ready for his

attempt, which will be futile, to get himself elected out on the West Coast. The people of Newfoundland are not being given any information and it is hundreds of millions of dollars of our money.

MR. NEARY: Ingram turns up his nose everytime it comes up in the House.

MR. ROBERTS: And this very simple little act, Sir, very simple little bill, it has only got three clauses, it does not even have an explanatory note, it is that simple, will allow the government to remove from the control of this House, to remove from public view forever, eight or nine or ten or fifteen, whatever it is million dollars, four millions plus that we otherwise would have had, otherwise we would have owned, and otherwise -

MR. NEARY: The school boards -

MR. ROBERTS: It would be enough to pay the school boards. It otherwise would have come to this House and the expenditure would have been debated in this House. It is just as bad as the earlier attempt by the government to set up a Crown Corporate monster that would be able to pledge our Province to hundreds and hundreds and hundreds of millions of dollars and we do have that monster now although we do have assurances by the government that they will bring in some limiting legislation. And what is the first bill we see? Not to limit the government's power or the Corporation's power but instead to increase it, to sneak another \$5 million or \$6 million or \$10 million or \$20 million a year out of the Public Treasury into the Hydro Corporation. And whether it is going to pay off the Churchill shares or whether it is going to pay off any other debts of the Corporation or any other operating expenses, Maybe it is going to pay Mr. Groom's salary, how do I know how it is going to pay? We have not been given any information. Nothing, not an annual report, not a select committee, not a jot, not a tittle, not an iota, a deliberate attempt by the government to hide the facts on this one, Mr. Speaker.

Well, Sir, I have one further question. I merely want one of the legal members opposite, learned gentleman opposite tell me whether it is possible for the corporation in turn to assign those profits further? Well the Premier says no, I was not aware he had been called to the Bar.

MR. MOORES: Neither was I aware you had been practicing.

MR. ROBERTS: Well I am not practicing, that is why I am asking.

MR. NEARY: He has been called to the Bar.

MR. SPEAKER: Order, please!

MR. ROBERTS: Well the Premier, that is another story. Mr. Speaker, I would ask the Attorney General if he would give us his advice on this. Can they be assigned further? As I read it, and I do not pretend to be an expert on this, under this Act once they are assigned to the Hydro Corporation there is nothing to prevent them being assigned further. The Hydro Corporation then own those rights and they can assign whatever they own in the absence of any prohibition. So next thing we know these could be in the hands of the bond holders somewhere, some Arab Sheik over in Libva or in Yemen, or maybe Mr. Lougheed the Premier of Alberta will end up having these assigned to him or maybe -

SOME HON. MEMBERS: Inaudible.

MR. ROBERTS: Yes, any number of people could end up owning them.

MR. MOORES: Liechtenstein sort of thing.

MR. ROBERTS: Yes, has the Premier set up Corporations in Liechtenstein?

MR. EVANS: Clearwater.

MR. ROBERTS: The Premier says things went there, prove it. I own nothing in Liechtenstein. Let the Premier - I would remind the Premier that he among who is without sin should be the first to cast the stone.

AN HON. MEMBER: Hear! Hear!

MR. ROBERTS: Now, Sir, this bill is a simple little one and the government have attempted to sneak it through. They should not be allowed to succeed. Accordingly, Sir, I move this bill, that the motion which is - the motion before the Chair Your Honour, is of course the bill be now read a third time. I move, Sir, that the motion, the following motion, seconded by the gentleman from Bell Island, that the word "now" be struck and the words "this day six months hence" be added so that the motion as amended would read, "that this bill be read a third time this day six months hence." And in so doing, Sir, I would ask Your Honour for a ruling that -

I know the amendment is in order, I submit that it is in order, I would be shocked if it was not in order - that it is debatable. And if Your Honour, if Your Honour wishes argument on the point, I am quite prepared to offer argument, Sir.

MR. SPEAKER: Order, please! The amendment is in order. The Chair after some discussion and some research following the previous incident is willing to rule and indeed does rule that the motion, the amendment six months hoist is debatable.

The Chair would also like to say whether honourable members are aware or not, that once the debate on the six month hoist, the amendment, is over that is the end of it. There is no further debate and the motion for third reading is put forthwith.

MR. ROBERTS: Your Honour that is true but the point is that it is debatable and any man in the House may speak in the normal way on that and when it is over the amendment is put and the amendment, if carried, ends the debate and if the amendment is not carried, the third reading motion is then put. That is the correct procedure. Do I understand it to be so?

MR. HICKMAN: Yes.

MR. ROBERTS: Well I was not aware the honourable gentleman from Burin was the Speaker of the House.

MR. BARRY: Inaudible.

MR. ROBERTS: It is a six month hoist. It has the effect of not being against the principle of the bill but it is saying that it should not - in effect it defeats the bill. If a six month hoist is adopted the bill falls.

MR. BARRY: Well I can understand why.

MR. ROBERTS: I mean I did not make the rule. It is a very old parliamentary device. You know if I had been here I would have voted against it on second reading. It is a way to express displeasure. Mr. Knowles moved it in Ottawa the other night on the -

MR. SPEAKER: Order, please!

MR. ROBERTS: Pay Raise Bill, but in any event, Mr. Speaker, I am speaking

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to the amendment. Let me say simply that I shall vote for it.

It is one o'clock is it?

MR. SPEAKER: It looks as if it is one o'clock and I will leave
the Chair now until three o'clock this afternoon.

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

The Hon. Leader of the Opposition made an amendment before lunch which the Chair ruled in order. The Hon. Leader of the Opposition is not in his place so he does lose the right to speak to the amendment.

Is the Hon. Member for Bell Island about to speak to the amendment?

MR. NEARY: Mr. Speaker, my colleague, the Leader of the Opposition is off to the West Coast on matters of urgent public importance, urgent political importance, Sir.

MR. BARRY: After arranging this spurious item? Shame!

MR. NEARY: Mr. Speaker, what is wrong with the Hon. Minister of Mines and Energy? He is so jittery and jumpy today.

MR. THOMS: He is guilty. He is guilty that is why.

MR. SPEAKER: Order, please!

MR. NEARY: The honourable minister has a guilt complex, Sir -

MR. EVANS: (Inaudible).

MR. NEARY: - a guilt complex because my colleague, the Leader of the Opposition raised this morning, Sir, some very interesting questions concerning -

MR. BARRY: Another petty political point.

MR. NEARY: Another petty political point?

- the matter of the taxpayers of this Province having to fork over \$8 million or \$10 million or \$12 million -

MR. BARRY: We are going to have to leave you with egg on your face.

MR. NEARY: You are going to have to leave me with egg on my - no, Sir, I am only just parroting what my colleague the Leader of the Opposition said this morning, Sir.

MR. BARRY: Save yourself.

MR. NEARY: No. I want the Minister of Mines, Sir -

MR. BARRY: We are going to run into the complete detail.

MR. NEARY: Well facts and figures. MR. Speaker, we are not prepared to accept the minister's word. We are not prepared to accept the minister's opinion. We are not prepared, Sir -

MR. BARRY: Cold, hard facts.

MR. NEARY: That is right, facts and figures.-

MR. THOMS : Table the facts.

MR. NEARY: - right from beginning to end, right from the time the government forced this takeover -

MR. BARRY: (Inaudible). I am going to force you -

MR. SPEAKER: Order, please!

MR. NEARY: - right from the time the government forced the takeover of the Churchill Falls Corporation. right up to the present moment. How much it is going to cost the people of this Province in principal to pay back the principal and the interest annually? We understand, Sir, that the interest figure is \$20 million. Will the revenue from the Churchill Falls takeover be sufficient to amortize that loan to pay the interest and the principal on that loan? That is the key question, Sir, and that is the question that my colleague the Leader of the Opposition raised this morning. Or, as I started to say a few moments ago, will it be necessary for the taxpayers of this Province to kick in another \$8 million or \$10 million or \$12 million a year in order to pay off the interest and the loan as a result of the Churchill Falls takeover? Sir, if this take over was not forced on BRINCO there would have been additional revenue to the public treasury of anywhere, I would say, in the vicinity of \$5 million to \$7 million a year.

Now, Mr. Speaker, we have the school boards publicly stating that they are almost bankrupt. Some of them are on the brink of bankruptcy. They can no longer function in the manner that they would like to function, and they tell us that education is going to suffer in this Province. That \$5 million or \$6 million or \$7 million,

Sir, of revenue from the Upper Churchill that would have come to the Province from BRINCO and from the Government of Canada in the way of rebate on our taxes, that \$5 million or \$6 million or \$7 million could have been used to help the school boards.

MR. EVANS: What about the \$165 million you -

MR. NEARY: Instead, Mr. Speaker, instead what we see under this little innocent bill, this little innocent piece of legislation that was slipped through the House yesterday afternoon at the last moment, and I must say I did not catch it, that little innocent bill, Sir, will now take that \$5 million or \$6 million or \$7 million and assign it to the Newfoundland Power Corporation, this great corporate monster that has been established by the administration to provide big salaries for people like Mr. Groom and posh offices, wall to wall carpeting and a jet to fly the Premier over to Halifax on his way to Bermuda.

MR. SPEAKER: Order, please!

The Hon. Member for Bell Island is speaking to the amendment and the motion for the third reading. The honourable member or any honourable member when speaking should confine himself to the content of the bill. In other words, the Hon. Member for Bell Island was not being relevant to this content of the bill in question.

MR. NEARY: Mr. Speaker, the content of the bill in question is to assign this \$5 million or \$6 million or \$7 million that should have gone into the public treasury, the content of the bill is to assign that to the Newfoundland and Labrador Power Corporation, and I am claiming, Sir, that that is morally wrong, that it should go into the Consolidated Revenue Fund. It should go into the public treasury to be used, Sir, to maintain and expand the public services in this Province. Now the minister may be able to counter some of the arguments of my colleague, the Leader of the Opposition about the taxpayers having to cough up another \$5 million or \$6 million or \$7 million to help pay off the principal and the interest on this loan. The minister may be able to counter that, Sir. He may be able to blind us as he said

a few moments ago with facts and figures to counter that. But the minister cannot counter the fact that this amendment that the minister brought into the House yesterday, this little innocent amendment brought in by the little innocent Minister of Mines and Energy, baby face, the Minister of Mines and Energy -

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

MR. NEARY: Sir, in my opinion, the minister does have a little baby face.

MR. SPEAKER: It might be in the opinion of the Hon. Member for Bell Island, but still it does not make it procedurally right.

MR. NEARY: Well, Sir, this little innocent bill assigns -

MR. MORGAN: (Inaudible). The little idiot over there.

MR. SPEAKER: Order, please!

MR. NEARY: - assigns revenue that should go in the public treasury to be used for the school boards, water and sewerage, paving roads, hospitals, widows, orphans and cripples. That money is now going to go to the Newfoundland and Labrador Power Corporation, a corporate monster, a monkey that is being inflicted upon the taxpayers' back by the Minister of Mines and Energy. There, Sir, is something that the minister cannot answer because that is a fact. That is what the bill says, Sir. I did not realize it yesterday. The minister took about twenty-five or thirty seconds, I think it was to tell us, oh, this is really nothing. All it means is that instead of the money going into the public treasury it is now going to go straight over the Newfoundland and Labrador Power Corporation. Is that correct?

AN HON. MEMBER: That is correct.

MR. NEARY: That is right, Sir. It should be going into the public treasury and, Mr. Speaker, this is one of the strongest arguments that we have seen so far that the government's timing in forcing a takeover of BRINCO was wrong. Their timing was wrong. They should have waited, Sir.

MR. BARRY: Wait -

MR. NEARY: Wait, what now?

MR. BARRY: You are getting too far in.

MR. NEARY: No, Mr. Speaker, I am not going to get too far in. Mr. Speaker, I still claim today even though, Sir, I am one of the strong advocates of Newfoundland owing its natural resources, I am one of the more radical members of this House who believes in provincialization of not only the generation of power but the distribution of power. I am one of the few members of this House who believes in provincializing all communications in the Province, all our natural resources, telephones and what have you. I stand alone most of the time even though I do that, Sir, when it comes to taking radical measures to try and get a better deal for the people of this Province, the ordinary people of this Province, I stand alone most of the time, Sir, but, Mr. Speaker, I have got sense enough, I have got that native Newfoundland shrewdness in me that I have got sense enough to know that it would have been better for the administration to wait until the Lower Churchill was developed. Give the shareholders of BRINCO an opportunity to get a couple of years dividends on their returns. Let them develop it and then move in and take her over lock, stock and barrel. That would have made much more sense, Sir, than what what we are up against now where the Province has to sink the treasury \$1,600,000,000 in debt now directly and indirectly, we have to double the debt of this Province directly and indirectly in order to get the Lower Churchill developed.

The other way, Sir, the other route, the so called private enterprise system, BRINCO, the capitalists would have had to go on the back of the note. They would have had to borrow the money. They would have had to provide the expertise. They would have had to finish the project. Within a matter, Sir, of four or five years Newfoundland would have had not only the Upper Churchill developed but we would have had the Lower Churchill developed. Now, Sir, it has been - not only are we going to lose that revenue, going to pass it over to Mr. Groom -

AN HONOURABLE MEMBER: We would have had 3,000 jobs.

MR. NEARY: We would have had 3,000 jobs down there by now my colleague reminds me, That project would have been two-thirds complete and Newfoundland would have had a tremendous asset. Now, Sir, it has been set back at least ten years. As I said before, Mr. Speaker, it will never be developed by a Tory Administration, Sir. It will take a Liberal Government in this Province to get that project back on the rails and get it completed. They will drill a few holes down there and they will try to leave the impression they are doing something. But, Sir, I submit that with the track record of this honourable crowd, Sir, all you will see is the helicopters going in with a minister or two aboard with a fishing rod in his hand to sit down by the side of the lake to catch some salmon or trout.

Well, Sir, it has happened. I saw the Premier myself using the government aircraft in Labrador to go off on a political jaunt.

MR. SPEAKER: Order, please!

MR. NEARY: Well, Mr. Speaker, the Minister of Justice asked me and I told him.

MR. SPEAKER: Order, please!

Because the honourable Minister of Justice may have asked the honourable member speaking, it does not give the honourable member the right to reply and be irrelevant to the -

MR. NEARY: You are absolutely right, Your Honour. I could not agree with Your Honour more. So, if the Minister of Justice would just stop baiting me for a moment -

AN HONOURABLE MEMBER: Sit down and be quiet.

MR. NEARY: Now, Sir, I have to get back to my colleague, the Leader of the Opposition, Sir.

AN HONOURABLE MEMBER: Do not go back to that now.

MR. NEARY: The Leader of the Opposition, Sir, asked a number of very interesting questions this morning concerning this whole deal. We will be anxiously awaiting the remarks of the honourable Minister of Mines and Resources this afternoon or Energy to find out -

AN HONOURABLE MEMBER: Inaudible. ^N

MR. NEARY: The school boy debater. We will be waiting, Sir, to find out if there is any truth at all in any of the accusations, insinuations, questions, remarks, statements made by the Leader of the Opposition this morning. It seems to me, Sir, that the Leader of the Opposition has touched a very sensitive spot. We will be anxious, we will be anxious to see, Sir, the political gymnastics of the honourable Minister of Mines as he tries to weasel his way around this situation, how he will twist and turn and try to squirm his way out of it.

The minister cannot deny the fact, Mr. Speaker, cannot deny the fact that this money which should be going into the public treasury this year and every year from now on is going to go over to the Newfoundland and Labrador Power Corporation.

MR. EVANS: Not very much to Quebec.

MR. NEARY: It is going to be assigned to the Newfoundland and Labrador - I say, Sir, that it is no wonder my colleague has moved a six months hoist on this thing. We need that money this year, Sir, to go into the public treasury, not to be passed over to Mr. Gloom or Groom, whatever his name is.

AN HONOURABLE MEMBER: What is his salary?

MR. NEARY: Yes, Sir. That would be an interesting question. What is Mr. Groom's salary? What fringe benefits is the gentleman getting? Is his salary going to be paid out of this money that is being in turn assigned to the Newfoundland and Labrador Power Corporation? Is the money going to be used to develop, to put that extra generator down at Bay D'Espoir? What will the money be used for? Will it be used for general purposes of the Newfoundland and Labrador Power Corporation? (Is he coming after me or what?)

AN HONOURABLE MEMBER: (It is not one of the sensible fellows.)

MR. NEARY: (Go ahead then.)

Mr. Speaker, these are the questions, Sir, that we demand answers to from the Minister of Mines and Energy. I am going to give - if none of my colleagues want to participate in the debate, Sir, I am going to give the Minister of Mines and Energy a chance now to get up and blind us with these facts and figures that he is talking about. If he does not give us a satisfactory explanation, Sir, I will be back on my feet again after the minister, demanding that we get the true picture of this forced take over of the Churchill Falls Corporation.

MR. EVANS: The Minister of Propaganda.

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

MR. BARRY: Mr. Speaker, we have here I think one of the more amazing exhibitions of verbal gymnastics engaged in by honourable members opposite, by the honourable Leader of the Opposition and then by the honourable Member for Bell Island that I have seen since my presence in this honourable House.

We have a bill that was passed in principle, approved in principle with no objections by honourable members opposite. We have a bill now in effect being challenged, the very principle of the bill being challenged by the honourable Leader of the Opposition when he returns to the House. What is going on over there? Do we have - one, two, three four, five, six, seven, eight - seven trained seals and a seal master? That it is only when the Leader of the Opposition is present that we can expect any challenge to any legislation that comes from this side of the House? Is that the situation over there?

MR. NEARY: Do not be so cocky now.

MR. BARRY: If that is the case, then what could you ever expect if the honourable Leader of the Opposition ever had the fortune, the unlikely fortune of being asked to form a government? What would you have? Who was the previous individual who ran his party the same way with a crowd of trained seals?

MR. NEARY: Did you hear the Premier bark at the Minister of Transportation this morning?

MR. BARRY: A crowd of trained seals in the seats, Mr. Speaker.

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: If he were absent, if he were -

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. BARRY: - if he were not there to say when they were going to object or when they were going to approve legislation -

MR. NEARY: This has nothing to do with that.

MR. BARRY: - that they would just sit back and let it go through.

MR. NEARY: Do not be so arrogant, boy.

MR. BARRY: Now, the honourable Member for Bell Island was present when this bill passed second reading.

AN HONOURABLE MEMBER: He did not know.

MR. BARRY: It was approved in principle. Is the honourable member really saying that he takes his orders from the Leader of the Opposition and the Leader of the Opposition tells him when to stand up and object on matters of principle?

MR. NEARY: Mr. Speaker, may I enlighten the minister, Sir.

MR. BARRY: I wish you would.

MR. NEARY: The Minister of Justice -

MR. SPEAKER: Order, please!

MR. BARRY: We are obviously touching -

MR. SPEAKER: Order, please!

The honourable Member for Bell Island has not been recognized by the Chair.

MR. BARRY: We are obviously touching a nerve, Mr. Speaker, because if there was anything that I gave the honourable Member for Bell Island credit for was being a man of principle. But now we have yesterday the honourable member acquiescing in the principle of the bill to say the least, acquiescing.

MR. NEARY: I did not hear what the minister said with the Minister of Justice -

MR. BARRY: And we have his leader coming in today and ordering him to get up and to object strenuously, and he did a pretty good job I must say for somebody who had only yesterday accepted the principle of the bill. He did a pretty good job this afternoon.

SOME HONOURABLE MEMBERS: (Inaudible.) sitting in his seat and he asked me -

MR. BARRY: I think everybody would agree.

MR. NEARY: You were not in your seat when we asked leave -

MR. BARRY: I appreciate the honourable member. But, surely after the vehement speech of the Leader of the Opposition this morning, I would have expected all seven members of the Opposition to be on their feet chomping at the bit to get into the fray, just chomping at the bit, Mr. Speaker, to tear us to shreds over here because what is the Leader of the Opposition saying?

He is saying, Mr. Speaker, that this government made a mistake in purchasing the hydro rights of Labrador including the Upper Churchill. He said, Mr. Speaker, that this government made a mistake. Now that is what the honourable Leader of the Opposition's proposition is. But, you know, the real facts, Mr. Speaker, the real facts are that the Leader of the Opposition thinks he has us on a sticky wicket on this bill. He thinks and he submitted - I did not say it, he said it - that the only reason for this bill going through is because government has had to acknowledge that it cannot repay the loan for the purchase of the Upper Churchill and the hydro rights of Labrador without getting additional revenue. I believe he said that. The honourable Member for Bell Island.

MR. NEARY: He asked a question.

MR. BARRY: He asked a question. Oh, Mr. Speaker, no. He went further than asking a question. He submitted that

the reason for this bill was because we wanted additional revenue in order to be able to repay the loan that we incurred to purchase the rights of the Upper Churchill.

Mr. Speaker, you know what has happened? For over a year now the Leader of the Opposition has been sulking, he has been sulking and he has been debating with himself and possibly with members of his caucus as to how he could in some way undo the positive affects that came to this government from that fantastic and enlightened policy of purchasing the hydro rights of Labrador. And he has been kicking himself, I would not be surprised if he has been kicking his colleagues as well, to come up with some way that they could undo the damage that they were done by this fantastic and enlightened policy of this administration in taking over the hydro rights of Labrador, repatriating them, getting them back to benefit the people of the Province rather than some private corporation.

So what does the Leader of the Opposition do when he see this bill? He says ah ha, here is my chance that I have been waiting for, that I have been skulking around for for a year and a half, I know that this government, the policy of this government has been received with favour by the people of this Province. There must be some way I can undo that damage to the Liberal Party. There must be some way that I can blacken this tremendous job that the Progressive Conservative Government of this Province did in getting back control of our hydro rights in Labrador. Now what can I do? He see this bill, and he says ah ha, I got it. Let us put forth the proposition that the amount that they borrowed cannot be repaid from the revenues of Churchill Falls Corporation. Let us put forth the proposition that they need to divert the revenues that would come to the Province from royalties and rentals in order to pay back this loan that was used to purchase Churchill Falls Labrador Corporation. We all heard him, Mr. Speaker. We all heard him this morning. That was his proposition. That was the only reason he got up in this House and spoke for almost an hour. That is the proposition that he put to the people of this Province.

Mr. Speaker, if the Hon. Leader of the Opposition had taken the time or the trouble to look at the facts, if he had taken the time to

go back over the statement made by the Hon. Minister of Fisheries on March 4, Tuesday, March 4, when he set out what we saw as the revenue position of Churchill Falls Labrador Corporation, which Mr. Speaker, we have never done anything else but point out that it is still not absolutely certain just what the final revenue position is going to be because it depends upon such things as the ultimate capital cost of the Upper Churchill project which was not completed when we initially took it over. It is now completed, and the final costs are now coming in and being compiled. It is also dependant upon the effective date of dividends, Mr. Speaker, and there are various dates permissible under the trust indenture. It also depends upon the taxable status of CFLCo which we now have communication between the Province and Hydro Quebec and the federal government concerning. It also depends upon the effect of equalization, Mr. Speaker. All of these things determine the profitability of Churchill Falls Labrador Corporation and determine the time within which the loan for the purchase of Churchill Falls Labrador Corporation is likely to be paid off.

MR. NEARY: That does not make common sense.

MR. BARRY: But, Mr. Speaker, I thought that the Hon. Minister of Finance had made it quite clear -

AN HON. MEMBER: No. We are still up in the air. We still do not know.

MR. BARRY: - that - and if I can have a moment to find out, Mr. Speaker, I thought that the Hon. Minister of Finance -

AN HON. MEMBER: Inaudible.

MR. BARRY: - according to the Leader of the Opposition, the Hon. Minister of Finance has spoken in terms of some seventeen years the revenues of Churchill Falls Labrador Corporation would be sufficient to repay the loan put out for its purchase. Now, Mr. Speaker, -

AN HON. MEMBER: Inaudible.

MR. BARRY: - I have - I just received the remarks of the Hon. Minister of Fisheries -

AN HON. MEMBER: Inaudible.

MR. BARRY: - a few minutes ago -

AN HON. MEMBER: Put that away and you go get -

MR. SPEAKER: Order, please!

MR. BARRY: - and I would like to in a minute have an opportunity to check these remarks. But let me say before I go further that if ever, if ever anybody has been caught with egg on his face -

AN HON. MEMBER: A poor job of (Inaudible).

MR. BARRY: - with egg on his face in this honourable House, Mr. Speaker, its the Hon. Leader of the Opposition, because if he had taken the opportunity, if he just used common sense and looked at the figures that have already been given, the information already been given in this honourable House he would see that what is being done in this bill that is now before the House will bring to this Province an additional \$1 million minimum a year -

MR. NEARY: (Inaudible) That is not settled yet.

MR. BARRY: - an additional \$1 million a year, Mr. Speaker, -

MR. NEARY: That is tax rebates.

MR. BARRY: - in - not in tax rebates, Mr. Speaker, but because of benefits that we will obtain from the equalization formula by having the payments made to Newfoundland Hydro, a Crown Corporation rather than directly to the Province, -

AN HON. MEMBER: Hear! Hear!

MR. BARRY: - in excess of \$1 million, we will have, Mr. Speaker, in terms of provincial revenue to use for the benefit of the people of Newfoundland. And how is that twisted and distorted by the Leader of the Opposition? The Leader of the Opposition would have people of this Province believe that we end up with less money for the benefit of the people of the Province, when in effect and in fact, Mr. Speaker, we will have an additional \$1 million minimum coming into this Province for the use and the benefit of the people of this Province.

Now, Mr. Speaker, with -

MR. NEARY: we are going to get it back, but we are giving away \$5 million or \$6 million or \$7 million.

MR. BARRY: We are giving away \$5 million or \$6 million. My goodness!

MR. NEARY: This should be in the public treasury.

MR. BARRY: Oh, Mr. Speaker.

Mr. Speaker, this year alone the Province is putting in something like \$6 million into the Newfoundland and Labrador Hydro Corporation. Last year, I think it put in something like \$9 million. Yes, \$6 million and \$9 million. The Rural Electricity Authority this year will take \$12.5 million, last year it took \$10 million. The Hydro Corporation, Mr. Speaker, has been operating on a deficit for the past year -

AN HON. MEMBER: Inaudible.

MR. BARRY: - or the Power Corporation - well forgetting about the industrial incentives payments, because of the fact that agreements were entered into with Newfoundland Light and Power, with Price, with Bowaters, with ERCO, with Provincial Refining, with Linerboard and so on, some of which tied the Corporation into selling power at a flat rate, with no provision for escalation of cost, and with the energy crisis you had a drastic quadrupling of the cost of petroleum products, would result, Mr. Speaker, in if there were no modifications in the Newfoundland Light contract or any of the other contracts would result in the Corporation incurring a deficit of some \$25 million in 1975, some \$37 million in 1976, some \$55 million in 1977, assuming I think it is \$8.00 oil I am not sure what the - I will have to check and - but anyway making reasonable assumptions with respect to the cost of petroleum products. Mr. Speaker, this Province has a Hydro Corporation which has to supply power to meet the needs of our citizens. If we do not recover the cost from the consumers and we can only escalate, if we have decided that we will only permit a gradual escalation -

AN HON. MEMBER: Fifteen per cent.

MR. BARRY: - fifteen per cent it was this year -

AN HON. MEMBER: Plus another fifteen

MR. BARRY: - whereas you had twenty, thirty per cent, fifty per cent, eighty per cent in other jurisdictions, Mr. Speaker, Fifteen per cent was the most that we will permit this year.

AN HON. MEMBER: Thirty per cent.

MR. BARRY: Now, Mr. Speaker, as long as there is this ceiling on what we will permit in terms of increase to the consumer, we

have to recognize that there is a resultant deficit as far as the Corporation is concerned.

MR. NEARY: Do away with the middleman, take it over, take over the -

MR. BARRY: We are not talking about the middleman here, we are talking about, you know, the Crown Corporation, forget about Newfoundland Light and Power.

MR. NEARY:you know, the Newfoundland Light and Power.

MR. BARRY: Forget about Newfoundland Light and Power, we are talking about, you know, the Crown Corporation here. And this, Mr. Speaker, the people of the Province recognize that the money has to come from somewhere,

If it does not come from the consumer it must come from the general taxpayer. Now, the effect of this bill, Mr. Speaker, means that revenue from the Upper Churchill will go to Newfoundland Hydro. This is what I said when I stood up here in this House to introduce the bill. It will go directly, Mr. Speaker, instead of first going to the Consolidated Revenue Fund and then having a payment from the Consolidated Revenue Fund to Newfoundland Hydro. It will go directly. There is no question about that.

Mr. Speaker, the side benefit, the side effect, the thing that makes it, in addition to it making financial sense, in addition to making good accounting sense, in addition to there being a good policy of having Newfoundland Hydro collect the revenues that derive to the Province from the electrical developments in the Province generally so that you can see just where we stand with respect to our energy developments in the Province, in addition to all this making good financial and economic sense we have the additional benefit, Mr. Speaker, of by this move bringing in an extra million dollars a year minimum to the Province from equalization benefits because of the peculiarities of the equalization formula, so that instead of, Mr. Speaker, the situation being as the Leader of the Opposition threw out - now, I do not know if he threw it out mischievously, negligently or stupidly. I do not know which of the three it is. But, Mr. Speaker, it has to be one of the three because if he had taken the time to look at the information that has been given to this honourable House he could have seen it has been shown that equalization benefits will accrue, Mr. Speaker, of having these payments made directly to Newfoundland Hydro rather than to the Consolidated Revenue Fund.

Now, is that the case or is it not?

MR. NEARY: But is that the case? I mean the minister -

MR. BARRY: So I am told and I have to confess -

MR. SPEAKER: Order, please!

MR. NEARY: So you are told.

MR. SPEAKER: Order, please!

MR. BARRY: Mr. Speaker, I have to confess that I am not prepared to set myself up as an expert on the esoteric equalization formula set out by the Federal Liberal Government at Ottawa.

MR. NEARY: He wold us he was going to blind us with facts.

MR. SPEAKER: Order, please!

MR. BARRY: What I am doing, Mr. Speaker, is relying upon the experts that are supplying information to this government and their best advice is -

MR. NEARY: Is that the Minister of Fisheries?

MR. BARRY: No, it is not the Minister of Fisheries. The Minister of Fisheries drew on the same expert advice that I am drawing on. But that expert advice is, Mr. Speaker, to the effect - Was it a - I would not mention a private firm here but it will be interesting to hear where the honourable crowd opposite got their advise when they were engaging in certain enterprises in the previous administration. But in any event, Mr. Speaker, we are now engaging with Ottawa in arrangements to establish the tax status of CFLCo and the best advice that we have is that it is to our advantage for at least \$1 million. It is not definite. No, it is not finalized but it is to our advantage Mr. Speaker, to have the payments paid directly to the corporation rather than to the Consolidated Revenue Fund. If we can get an extra \$1 million by doing this, Mr. Speaker, as a side effect, not as the ultimate purpose because we do not want to be taken as, you know, trying to pull a little hanky-panky with respect to the equalization formula.

MR. NEARY: It is only wishful thinking at the moment.

MR. BARRY: Mr. Speaker, it makes economic sense to have this come about and if while we are doing this we can also derive an additional \$1 million revenue to this Province then I think that that is something that the Leader of the Opposition should get up and praise rather than get up and criticize. It gives you an indication, Mr. Speaker, of the cynicism, of the bitterness, of the sulkiness of the

Leader of the Opposition when he gets up and makes such a vehement speech an hour before the House adjourns at one o'clock and then does not even show up at three o'clock when he knows the debate is to continue. What cynicism! What bitterness! What sulkiness! Mr. Speaker, the mind boggles. That is all I can say. The mind boggles.

Now, Mr. Speaker, I refer honourable members of this House, if they want to get into the specific financial details of CFLCo, I will refer them to the March 4 statements of the honourable Minister of Fisheries. And I have to confess, if honourable members would give me leave, if any other honourable members want to talk about this I am perfectly happy to jump up and after I have had an opportunity to pick out the salient details to lay it upon the House again but they are already there. They are a matter of record and I do not think that it would serve any purpose for me to go through them again.

So, if honourable members have any further questions I will be happy to try and answer them but failing that, Mr. Speaker, we will just leave it as it is.

MR. NEARY: The only question, before the minister takes his seat, Sir, that I would like to ask him is that the minister has not really answered the question raised by my colleague, the Leader of the Opposition, whether or not additional money will have to be put in by the taxpayers to help defray the cost of the loan, the interest and the principal of the loan? The minister said it would depend on the profitability. The final costs yet have not been determined. So it is quite possible, it is possible -

MR. BARRY: No, no.

MR. NEARY: Yes, Sir, the minister said that. I wrote it down here. He said the Minister of Fisheries said it will take seventeen years to pay off the loan but, he said, but there were strings attached to his statement. It will depend on the date of the dividends, the taxable status -

MR. SPEAKER: Order, please! Order, please! Order, please! Well, the Chair is certainly willing to let the honourable Member for Bell Island ask a question of the honourable minister. The Chair certainly feels that the honourable Member for Bell Island is now proceeding perhaps to make a speech. He has already spoken once to this admendment.

MR. NEARY: But, Sir, I understand on third reading, Sir, you can speak as often as you like.

MR. SPEAKER: No, the honourable Member for Bell Island understands wrongly if he understands that.

MR. NEARY: Mr. Speaker, the question I am putting to the Minister of Mines and Energy, Sir, does it depend on the date of the dividends the taxable status of the new company and the equalization payments, is this what will determine whether or not it will pay its own way or the taxpayers will have to kick in a few more million dollars? Could the minister give us something definite on that? Could he make a definite statement? There will be no need to take anymore of the taxpayers' money.

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

MR. BARRY: Mr. Speaker, again I am trying to find the specific reference in the - I think I have it here now. The point I was trying to make, Mr. Speaker, was that we are not able to ascertain with absolute certainty what the exact -

MR. NEARY: Well, that is what my colleague said.

MR. BARRY: Ah! That is not what he said. The honourable Leader of the Opposition said that in putting forth this bill government was saying that there was not sufficient revenue for CFLCo to repay the loan which is not correct -

MR. NEARY: No, no.

MR. BARRY: - which is not correct, is misleading, is a shameful misleading of this honourable House.

MR. NEARY: Do not be so stund, boy, and arrogant.

MR. BARRY: - And of the people of Newfoundland.

MR. SPEAKER: Order, please!

MR. BARRY: That is shameful and misleading. Mr. Speaker, -

MR. NEARY: Do your homework. You are going -

MR. BARRY: In putting forth -

MR. SPEAKER: Order, please!

MR. BARRY: In putting forth this bill in asking that the royalties and rentals of CFLCo be paid directly to Newfoundland Hydro, we are insuring an additional \$1 million plus to the Province.

MR. NEARY: But you cannot make a definite statement whether more money will be needed.

MR. BARRY: With respect to the profitability, the ultimate profitability -

MR. NEARY: Right.

MR. BARRY: - of CFLCo I have pointed out some of the factors that it depends upon, some of which are not yet settled.

MR. NEARY: Right.

MR. BARRY: Now, Mr. Speaker, I am not prepared to mislead this honourable House regardless of what the honourable members opposite would like to see happen and say that this is established with certainty when it is not.

MR. NEARY: Then my colleague is right.

MR. BARRY: But through the best - Your colleague could not be more wrong - with the best information that we have, the best information that we have, Mr. Speaker, is that this loan will be paid off in less than twenty years. Now, I am told by the Leader of the Opposition that the honourable Minister of Finance or Fisheries, ex-Minister of Finance said that it would be seventeen years and I am trying to find the exact sentence in his remarks. If he said seventeen years, Mr. Speaker, let me say that there has been nothing, nothing that has come to our attention since the remarks of the honourable Minister of Fisheries that would lead us to change the statement that he made at that time.

MR. NEARY: But it is all iffy, if this happens, if that happens.

MR. BARRY: There has been nothing new, there has been nothing new developed since the remarks of the honourable Minister of Finance or Fisheries and this bill

MR. BARRY: has not been in response to any new developments. This bill has been in response to the recommendations of the experts that we must rely on who say that in addition to it making economic and fiscal sense to have these funds go to Newfoundland Hydro, in addition this Province will derive at least \$1 million a year additional revenue because of the quirks of the equalization formula by having this done.

MR. NEARY: Too many ifs, ands and buts.

MR. BARRY: Now, Mr. Speaker, if I can have a moment here, if I could just have a moment, if Your Honour would forebear just for a moment until I zero in on the exact sentence of the honourable Minister of Fisheries.

MR. NEARY: I thought you were going to blind us with facts and figures. Where are they?

MR. THOMS: Why do you not do your homework before you come in boy.

MR. BARRY: Okay, the projected annual average profits of CFLCo before taxes is \$37 million a year, \$37 million a year, that is the estimate for the years 1975 to 1999. In other words, CFLCo should make, before taxes, \$37 million a year. The taxes payable or the grant payable by CFLCo to us in lieu of taxes, at twenty-two and a half per cent, will be about \$8.3 million per annum.

Now we are going to save the part that corresponds to the Provincial Corporation Tax and tax equalization amounting to about \$4.8 million a year. That has already been pointed out as a result of the new Crown Corporation standards of CFLCo.

MR. THOMS: You are reading "John's" speech now. Why do you not read your own?

MR. BARRY: So as the Minister of Fisheries pointed out, what is the benefit to the Province accruing from the purchase of these shares, well first we should get, forgetting our other nine per cent of the shares that we have, we should get fifty-seven per cent of the profits after deducting the twenty-two and a half per cent payment in lieu of taxes and this will amount to \$16.4 million a year.

The favourable equalization adjustment, which is thirteen per cent

of the \$37 million, is \$4.8 million. The annual average benefits to the Province in cash alone from the purchase is therefore \$21.2 million, a return of 16.3 per cent on the purchase price of \$130 million and I would submit, Mr. Speaker, there are many investors, most investors in this Province would be prepared to accept a rate of return of sixteen point three per cent on their investment.

MR. NEARY: We are not going to get enough to pay the interest.

MR. BARRY: Hardly what you would say a shaky investment.

MR. NEARY: Not enough to pay the interest.

MR. BARRY: Sixteen point three per cent, what is the interest?

MR. NEARY: \$20 million. The interest is \$20 million.

MR. BARRY: Aw sixteen point three per cent when the interest is at the present time the last rate we had was under nine per cent for making a cool seven per cent return on somebody else's money. That is the way that any investor would say, that is the way, Mr. Speaker, that fortunes are made. Use other people's money and earn a rate of return on it. And this Province is at the last figures -

MR. THOMS: You claim (Inaudible).

MR. SPEAKER: Order, please!

MR. BARRY: - as presented by the honourable Minister of Fisheries, this Province was making some seven per cent on the money the Bank of Montreal, or I am sorry, the Bank of Nova Scotia. Now if we could have that done every day, Mr. Speaker, we could lie back, I suppose none of us would ever have to work again.

MR. ROWE: No risk involved at all of course.

MR. BARRY: No risk involved.

MR. EVANS: Inaudible.

MR. BARRY: Now as the Minister of Fisheries pointed out at the time, Mr. Speaker, this thirteen point three per cent, he is forgetting the other nine per cent of the shares which we already had, and the nine per cent of the shares of course, relates to these royalties and rentals that we are talking about today.

The cash receipts from CFLCo with reference to those fifty-seven per cent of the shares, if we assume interest costs at ten per cent per annum over the period, we will produce the funds necessary to service and

repay the \$130 million paid for the shares in seventeen years. That is the sentence, Mr. Speaker.

Now there has been nothing since the honourable Minister of Fisheries made that statement in this House that has been brought to my attention nor to my knowledge to any other member of the government that would cause us to deviate from this statement.

MR. NEARY: It was \$160 million, not \$130 million.

MR. BARRY: The honourable member must have been out of the House.

There was \$130 million allocated for the purchase of -

MR. NEARY: Shares.

MR. BARRY: Upper Churchill.

MR. NEARY: Right. Right.

MR. BARRY: The other \$30 million is for the -

MR. NEARY: Lower.

MR. BARRY: - hydro rights of Labrador.

MR. NEARY: So the loan is \$160 million.

MR. BARRY: \$160 million, that is right.

MR. NEARY: Well we are not talking about \$130 million, we are talking about \$160 million.

MR. BARRY: But the other \$30 million is not in Newfoundland Hydro.

MR. NEARY: But you still have got to pay the interest on \$160 million.

MR. SPEAKER: Order, please!

MR. BARRY: The other \$30 million, Mr. Speaker, is not in Newfoundland Hydro.

MR. NEARY: Where is it?

MR. BARRY: It is held by the Newfoundland Industrial Development, what is it called the Newfoundland - NIDC -

MR. NEARY: Development Loan Corporation.

MR. BARRY: Newfoundland -

MR. HICKMAN: Newfoundland Development Loan Corporation.

MR. THOMS: Newfoundland Development -

MR. BARRY: Is there some confusion between that and the Newfoundland and Labrador Development Corporation?

MR. BARRY: Anyhow it is the first, the Industrial Development Corporation -

MR. NEARY: But the Upper Churchill has to pay the interest on it.

MR. THOMS: You have got to pay the interest on \$160 million.

MR. NEARY: I mean you are skating around the issue, skirting around it.

MR. THOMS: You are playing with the truth now "Leo".

MR. BARRY: Mr. Speaker -

MR. NEARY: Let us get some straight answers and we will get the bills done.

MR. BARRY: As the honourable Minister of Fisheries has set out, the dividends, the benefit we get from the purchase of the fifty-seven per cent shares that we bought last year should repay the amount borrowed in seventeen years.

MR. NEARY: Yes, that is \$130 million. That is not what we are talking about.

MR. BARRY: That is the best information that I have been given and that is the information that I pass on to this honourable House.

MR. NEARY: But it is \$160 million, not \$130 million.

MR. BARRY: The other \$30 million relate to the hydro rights of Labrador.

MR. NEARY: Right.

MR. BARRY: Now, Mr. Speaker -

MR. THOMS: But we still have to pay interest.

MR. SPEAKER: Order, please!

MR. BARRY: Now, Mr. Speaker, let me explain, let me explain for the benefit of honourable members or the general public, whoever is interested, the way we contemplate it is reasonable to have this proceed is that as the Lower Churchill proceeds, that the Gull Island Power Corporation will purchase the hydro rights from NIDC, the hydro rights to the Gull Island cite, and Mr. Speaker, as other hydro developments proceed these hydro rights will be purchased from NIDC and everybody will be able to see clearly and exactly just what is involved in the way of cost as far as developing the hydro potential of Labrador.

MR. NEARY: Some fancy bookkeeping involved **there**.

MR. BARRY: No fancy bookkeeping! **How** could it be simpler, Mr. Speaker, how could it be more clear? What are we trying to hide?

AN HON. MEMBER: That is right. That is right.

MR. THOMS: That is what he would like to know, what are you trying to hide?

MR. SPEAKER: Order, please!

MR. BARRY: Mr. Speaker, I have to ask why are honourable members alleging that we are trying to hide anything? I am standing here, I am giving them more information I suspect than they can handle.

MR. THOMS: You have not told us anything yet.

MR. BARRY: More information than they can handle, Mr. Speaker, and I have not heard them -

MR. NEARY: We are finding out a few things for the first time.

MR. BARRY: I have not heard them set out anything that is new.

MR. PECKFORD: Well you have not been doing your home work in that case.

MR. BARRY: All of this has been set out. It was set out by the honourable Minister of Fisheries. It was set out several times during the debate with respect to the Lower Churchill, with respect to the BRINCO transaction, the CFLCo takeover, **There** is nothing new, Mr. Speaker, and I do not think there is anything, I am just taking a quick glance over the other statements of the honourable Minister of Fisheries, I do not see anything else that I should avert to but I would like to stress and reiterate, the only reason that I can see this unusual debate on third reading is first of all because the Leader of the Opposition obviously indicates no confidence in his colleagues on the other side of the House who were present when the bill was debated at second reading.-

MR. THOMS: We have had debate on third reading before.

MR. NEARY: That is not the first time we had -

MR. BARRY: -when the principle of the bill is supposed to be debated, I mean he is showing absolutely utter contempt for his colleagues on the other side of the House and I would suggest it is time for a new leadership convention.

MR. THOMS: How about a general election? We will clean the whole issue up.

MR. SPEAKER: Order, please!

MR. BARRY: The second reason, Mr. Speaker, the only other reason that I can see that the Leader of the Opposition has stood up on third reading in a highly unusual situation to debate this move which is going to bring an additional \$1 million -

MR. NEARY: Not so.

MR. BARRY: - into provincial coffers.

MR. NEARY: That has not been determined yet.

MR. BARRY: The only other reason I can see is that -

MR. THOMS: You are going to lose \$7 million or \$8 million.

MR. BARRY: - the Leader of the Opposition has been sulking for a year, over a year, the coup, the coup, Mr. Speaker, that this government engaged in in getting control of the Upper Churchill and the hydro rights of Labrador, that is right the coup -

SOME HON. MEMBERS: Inaudible.

MR. THOMS: That is the word.

MR. BARRY: - and the people of the Province accepted it with delight, Mr. Speaker,

MR. THOMS: No they have not. Try them.

MR. SPEAKER: Order, please!

MR. BARRY: I have only heard, Mr. Speaker, one voice raised in Opposition, one voice.

May 2, 1975

Tape 2011 (afternoon)

IB-1

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

The Chair on several occasions during this debate -

MR. NEARY: The honourable Joseph.

MR. SPEAKER: - has had to call order particularly for the honourable gentlemen to my right, and they seem to persist in completely disregarding such calls from the Chair. Again the Chair will remind them that when a member is speaking he does have the right to be heard in silence.

MR. SIMMONS: They are baiting us, Mr. Speaker, baiting us again.

MR. BARRY: Mr. Speaker, baiting honourable members opposite is like fishing through the ice. You have to hack through a lot of -

AN HONOURABLE MEMBER: Inaudible.

MR. BARRY: - intervening material before you can shake their awareness.

Mr. Speaker, I think that we have set out all the information -

MR. SIMMONS: How would you know?

MR. SPEAKER: Order, please!

MR. BARRY: I am perfectly prepared to give any additional information honourable members would like to have, but, I think we have set out clearly what the situation is. This bill is a simple bookkeeping transaction that makes economic, fiscal sense and also and incidentally will bring in an additional \$1 million.

MR. NEARY: That has not been determined yet.

MR. THOMS: Bring in one and take out seven.

MR. BARRY: Inter-provincial caucus, Mr. Speaker.

MR. NEARY: I will check that next week with Ottawa.

MR. BARRY: You know, it is to laugh - that is all I can say - it is to laugh at the attempts of the Leader of the Opposition to attempt to blacken in any way this policy that was carried out by this government of getting back control of the hydro rights of Labrador. It is a policy that has been accepted in total by the people of this Province. If honourable members opposite are not prepared to accept that, well I would say, God help them in the next election.

MR. NEARY: Give it to Mr. Groom to fly around in a jet.

MR. SPEAKER: The honourable Member for Hermitage.

AN HONOURABLE MEMBER: Oh no.

MR. SIMMONS: Oh, yes. Just a few words in responding to some of the

things that the minister has said, Mr. Speaker. The minister may be worried about the headlines. I am not particularly worried about them. The Minister of Mines charges that my colleague, the Leader of the Opposition, had done something unusual. Well, first of all, I say to him, let him know the rules of the House. Well, we do not do it every time here, but it is quite usual and quite within the rules as Mr. Speaker well knows for a member to rise and speak on third reading of a bill.

MR. HICKMAN: Mr. Speaker, may I rise on a point of order please only for future reference.

MR. SIMMONS: A point of order.

MR. HICKMAN: Yes.

MR. SIMMONS: If it is on a point of order, yes.

MR. HICKMAN: Right. On a point of order. Only -

MR. SIMMONS: On a point of order but -

MR. HICKMAN: - for future reference. That a debate on third reading cannot be on the principle of the bill. Today as this debate wandered into the principle of the bill, the fact that no one rose and took objection should not be used in the future as a precedent for it.

MR. SIMMONS: That is not a point of order.

MR. HICKMAN: I refer honourable gentlemen to page 415 of Beauchesne. The only debate can be on a debate to refer to an amendment to something that does not go to the principle of the bill to a committee. I do not wish that someone next year will say last year we debated on the principle of a bill on third reading which we did but it was not - let it be recorded that this is being done without prejudice to the rules of this House.

AN HONOURABLE MEMBER: By leave. By leave.

MR. SPEAKER: Order, please!

The point raised by the honourable Minister of Justice is well taken and it is quite correct.

MR. SIMMONS: Mr. Speaker, I agree also it is well taken, but I believe irrelevant to the comments I was making at the time. I was not at all

speaking to the principle of the bill per se. I was first of all going to defend my colleague's right to speak in third reading because it has been misconstrued here that somehow he did so because he could not trust us on this side or had no regard for our ability to put forward the points and so on and so forth. I believe it is a well understood practice in this system under which we operate that each member can first of all speak for himself and that the Leader of the Opposition was doing at the same time while speaking as an individual member, was putting forth some views which are shared by his colleagues on this side of the House. But again let the record show that the reason my colleague, the Leader of the Opposition, was obliged to stand and participate in the debate on the third reading of the bill was because he was given an earlier understanding by the House Leader that this matter would not come up in his absence.

MR. BARRY: A lie.

MR. SIMMONS: And it did come up in his absence yesterday, and so he was obliged to stand this morning, Mr. Speaker, and say some things that he had fully intended to say during second reading. There has been enough said, Mr. Speaker, there is no need to apologize for his right, his clear right to stand on third reading. I believe that goes without saying. But I do take objection, strong objection to the Minister of Mines getting up and misconstruing the purpose of my colleagues participation in the debate this morning. He did so because in view of the circumstances which had transpired in the last day or so it was the only opportunity he had to put forward these points. I believe they are essential points.

Now, let me reply, Mr. Speaker, just for a moment or two to a comment or two that the Minister of Mines has made. He spends the first part of his tirade this afternoon telling us that this is the greatest thing under heaven, this bill, and in particular the provisions that my colleague, the Leader of the Opposition, spoke to. He spends the first amount of his time, the first part of it, of his tirade, telling us it is the greatest thing under heaven. Then, lo and behold, just before he sits down in his summing up he tell us, look, it is only a bookkeeping item. It is only a bookkeeping item. Now, sooner or later

that minister, Mr. Speaker, was got to make up his mind or does he not understand the bill himself. Does he not know himself whether it is, in one mouthful, the greatest thing under heaven. He did not use those exact words, but that was certainly the essence of what he said. He must make up his mind whether it is this great world shaking document that he would lead us to believe it to be or is it as he says later in the same set of comments just a little bookkeeping item that we should just shove through here without any comment whatsoever.

My colleague, the Leader of the Opposition has raised a number of questions about the possible implications of this proposed legislation. The Minister of Mines has not responded, has not assured this House that the objections, the concerns raised by the Leader of the Opposition are not well founded. He has not done that. He has railed on and he has assigned all kinds of motives to us on this side, all kinds of motives to the Leader of the Opposition as to why he did it. The Minister of Mines and Energy is good at doing that kind of thing, but he is far less good, Mr. Speaker, as has been demonstrated here in the past few minutes, far less good at answering effectively the points that my colleague, the Leader of the Opposition, has raised.

We are no wiser, Mr. Speaker. We were entertained somewhat by the Minister of Mines and Energy. We saw once again the level to which he can stoop when he wants to. We saw that, Mr. Speaker. But, we have not seen or heard anything, not one dot, not one word, not one syllable, not one sentence, from the Minister of Mines which would even begin to refute the very serious implications that were introduced in this debate earlier today by my colleague the Leader of the Opposition.

As I have said, Mr. Speaker, the Minister of Mines and Energy is good at words. He is good at assigning motives, good at attributing all kinds of unkind and black motives to people. He railed on at one point about how my colleague, the Leader of the Opposition had stood in an attempt to blacken this whole affair involving the Gull Island Development and so on. What nonsense, Mr. Speaker. I am fast coming to the conclusion here that the only way you can win an accolade from anybody on that side of the House, Mr. Speaker, is to get up and agree with them. The only way they can admit to your having done something

right is if you happen to do the same thing they are doing all the time. Now, the law of averages says, Mr. Speaker, that even if they are all paragons of virtue, even if they are all very wise people, the law of averages and the human frailties being what they are, perhaps they make mistakes sometimes, Mr. Speaker, sometimes.

Perhaps, Mr. Speaker, there are actually occasions - I would not expect the Minister of Mines and Energy to admit to it - but there are actually occasions when we take a stance which is different from the government stance, and when there is some wisdom in it. But, no, not a chance so far as the Minister of Mines and Energy is concerned. If we do not get up and pat him on the back and tell him what a nice boy he is and all that kind of thing, we are out to blacken something.

Did it ever occur to him that perhaps instead we see it as part of our role to raise questions, to raise objections, when we are not at all sure that what a particular bill is proposing is in the best interests of the Province? Is that not part of our responsibility over here? And I submit, Mr. Speaker, that is exactly what my colleague the Leader of the Opposition has done.

MR. NEARY: They double-crossed him.

MR. SIMMONS: Blackening.

The old headline grabbing technique of looking for some emotion charged words to subtract from the weight of the argument that my colleague the Leader of the Opposition has so well put forward this morning. And I repeat, Mr. Speaker, in conclusion -

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

As I understand it, we should be discussing the six month hoist and why this bill should or should not be delayed for six months. And really we should confine our discussion to these matters and to nothing else. I would like to be set straight on this point.

MR. NEARY: Mr. Speaker, to that point of order. First of all I want to welcome Your Honour back to the House after a week's absence and we will be keenly looking forward with interest as to whether Your Honour is going to accept the invitation of the Premier to join the cabinet or not. But, Sir, to that point of order, Mr. Speaker. The debate, Sir, on the motion that is before the House to give this bill the six month hoist, Sir, really involves a very far ranging debate, and I am afraid, Sir, that both myself and the Minister of Mines and Energy, Sir, if Your Honour was to rule in favour of the point of order raised by the member for St. John's North, then myself and the Minister of Mines and Energy were completely out of order, Sir, but we were allowed to plow on because the Speaker of the House, the gentleman who occupied the Chair before Your Honour came in allowed debate on this matter, and I believe, Sir, there is room for far ranging debate, and I would hope

that Your Honour will allow my colleague to carry on, Sir, in the manner in which he is debating this matter.

MR. SPEAKER (Mr. Wells): Well to the point of order. I am quoting from Erskine May. "My understanding is that debates of this sort" - I am quoting, as I say - "debate on third reading, however, is more restricted than at the earlier stage being limited to the contents of the bill and recent amendments which raise matters that are nothing to the provisions of the bill are not permissible." Now this obviously has not been strictly construed in debate this afternoon but I would ask the honourable member to confine his comments.

MR. SIMMONS: Thank you, Mr. Speaker.

I, too, welcome you to the Chair, and I assure my friend from St. John's North that while he was probably having difficulty following me that I was coming very quickly to the point and it is this: In view of the very serious implications introduced into the debate by my colleague, the Leader of the Opposition, I believe the motion, the so-called six month hoist motion, before the House now is the only sensible way to deal with this particular matter. Because the Minister of Mines has not give the House the assurances that we would like to hear, that we would like to have in reference to the matters raised by the Leader of the Opposition. I am disappointed that he chose to rail on other matters rather than to reply to that, to reply to the substance of what my friend the Leader of the Opposition has said. In view of that, Mr. Speaker, I have no choice but to support the motion to give this the six month hoist. I feel it is the only adequate, the only recourse left now to the House to deal with this matter, and I urge members here in the House to vote for the motion.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER (Mr. Wells): Shall the amendment carry? Those in favour, "aye." Those against "nay." The "nays" have it.

MR. NEARY: Division, Sir.

Now, Sir, if we vote on the amendment, then there is no more debate. That is the end of the -

MR. SPEAKER (Mr. Wells): That is correct.

Is the House ready for the question? All in favour of the amendment please rise: Mr. Gillett, Captain Winsor, Mr. Neary, Mr. Thoms, Mr. F. Rowe and Mr. Simmons.

All those against the amendment please rise: -

SOME HON. MEMBERS: (Inaudible).

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

Debate is not permitted during this process.

- the Hon. Minister of Mines and Energy, -

AN HON. MEMBER: (Inaudible).

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

- the Hon. Minister of Municipal Affairs and Housing, the Hon. Minister of Provincial Affairs and Environment, the Hon. Minister of Transportation and Communications, the Hon. Minister of Rehabilitation and Recreation, the Hon. Minister of Justice, the Hon. Minister of Forestry and Agriculture, the Hon. Minister of Tourism, Mr. Brett, Mr. Carter, Mr. Wilson, Mr. Marshall, Mr. Evans and Mr. Collins.

I declare the amendment defeated six having voted in favour of it and fourteen against.

Shall the bill now receive third reading? All those in favour, "aye." Those against, "nay." Carried.

On motion a bill, "An Act To Remove Legal Restrictions On The Assignment By Her Majesty Of Certain Rights To The Newfoundland And Labrador Hydro Electric Corporation," read a third time, ordered passed and title be as on the Order Paper.

MR. HICKMAN: Order 27, Bill No. 18.

Motion second reading of a bill, "An Act Further To Amend The Saw Mills Act."

MR. COLLINS: Mr. Speaker, this is a bill which is necessary for two or three purposes. Number one, it will allow the minister to delegate authority to certain officials to deal with various applications, sawmill licences, etc., which must

now come to the minister himself. It also changes the expiry date of the license from the end of the calendar year to the end of the fiscal year which is required for accounting and records purposes. It is also necessary that the licensee has a month, we give the licensees a month to submit their return to government. It is mainly, Mr. Speaker, housekeeping sort of legislation which officials thought was necessary and the sawmill operators have asked us to bring it in.

MR. THOMS: Mr. Speaker, really this is just a bill that appears to have no great significance whatsoever with the exception of changing a few dates, changing a couple of dots here and there and transferring authority from the minister down to some government officials. The minister's explanation was not at all a very clear one. Under this bill the work that he has been doing is going to be transferred now onto some officials of his department. He did not however state which official or officials. Does he mean by the word official the deputy minister or is it some directors of some of the division within his department? I would like for the minister when he concludes the debate to be more specific and inform us as to who this authority is going to go to.

Now, Mr. Speaker, this act is in relation to the Saw Mills Act of 1975. I am rather disappointed in the action or I should say the non-action of the government as far as the sawmills of this Province are concerned. We have in the Province today every sawmill that is producing lumber, every one of them is in very, very serious trouble. Many of them have curtailed operations during this last winter and these past months. Many of them are finding it very, extremely difficult to market the produce that they have on hand. All of our medium and large sawmill operators have their yards chинched right full of finished produce with no market, no market whatsoever.

Mr. Speaker, this present administration, this problem has been there now for some months and this present administration have done nothing whatsoever to help out these producers with the result that we have hundreds of people at the present time who have not worked in the sawmill industry since the New Year came in and there seems to be no possibility of them getting to work in the coming Spring and Summer

months.

Now, Mr. Speaker, the whole problem is that the Mainland is dumping lumber into this Province at very low rates. Our local people are suffering because of this. The minister, or in the Throne Speech debate we heard that the government was going to place a clause in all of its contracts where lumber of any type is to be used, they were going to specify that local lumber would be used. So far we have seen no sign of any such action. The minister failed to take advantage of this opportunity to state to us whether any such action had taken place. He failed to say whether any such clauses had been implemented in any contracts that have been let or are about to be let. Therefore, Mr. Speaker, many of our local producers at the present time are very uneasy about the prospects of any markets, not for the lumber that they will produce in the coming season but for the lumber that they already have stockpiled in their yards.

MR. SPEAKER (WELLS): Would the honourable member excuse me for a moment?

I would like to say on behalf of all members a few words of welcome to a group of students from St. Joseph's School, Terrenceville who have come into the House of Assembly. With them is their principal, Mr. Madden. I am sure we all extend to them a welcome and hope that they enjoy the visit to the House and find it pleasant and instructive.

MR. THOMS: Mr. Speaker, as I was saying, all the sawmill operators in the Province both large and small, are in very serious financial conditions and situations at the present time. The market, Mr. Speaker, has never been worse for the lumbering industry in Newfoundland, never been worse. Mr. Speaker, this is because of a downward trend in the construction trades in Newfoundland over this past three years. This present government has failed to act upon any recommendations that have been coming to them either privately or publicly.

Mr. Speaker, the Newfoundland Lumbermen's Association or the Newfoundland Lumber Producers' Association is very worried that the whole industry will in the foreseeable future, they forecast, that they will have a very serious depression or a total collapse of the lumbering industry in Newfoundland. Mr. Speaker, while at the present time we have hundred of people thrown out of jobs in the present industry, if this

continues this will definitely mushroom and of course add to the already very serious unemployment situation which we have in the Province. Of course, Mr. Speaker, if this continues, this will only mean that we will have an acceleration of imports of Mainland lumber to Newfoundland when at the present time, Mr. Speaker, we have the raw resource in Newfoundland that we can, if there is any encouragement or any good sound policy set up by this government, that we can satisfy 100 per cent the local market as far as many of the grades of board that are needed in the local industry. We may not be able to compete with, say, long timber, say, four by fourteen or four by sixteen or any of the big timber that would go into any special projects within the Province. But, in the normal run of the mill timber, all the timber and board that is needed in say, the building of housing in the Province - the quality, Mr. Speaker, is good. The quality of Newfoundland lumber, T and G, A lumber, I would submit, is better than anything that can be produced in Eastern Canada, simply because, Mr. Speaker, in Newfoundland we use the fir for producing T and G, two by four, two by three, two by five, two by six and the other small grades or sizes of small timber.

AN HONOURABLE MEMBER: That is not BC fir now.

MR. THOMS: No, no, no. There is no BC fir here. We do not have it.

AN HONOURABLE MEMBER: Inaudible.

MR. THOMS: Mr. Speaker, I would like to see the minister and I would like to see this government come forth with an immediate plan. There is no need of setting up a royal commission to investigate anything, just for the Department of Forestry and Agriculture to come up with some immediate plan to help out the local producers. Put on an advertising campaign.

MR. NEARY: By local contractors.

MR. THOMS: Let us see the minister have all local contractors to purchase local lumber.

MR. NEARY: Hear! Hear!

MR. THOMS: Let us set up some kind of, if necessary, a subsidization programme for the local producers so that they can sell their local produce, and that we can cater to the Newfoundland lumbermen and not to the lumbermen of Eastern Canada and Western Canada -

MR. NEARY: Hear! Hear!

MR. THOMS: - which we are doing at the present time.

MR. NEARY: There is something in there.

MR. THOMS: And I would like to see the minister make sure that in any contracts that this government lets and pertains to any work whatsoever, whether it be bridge building, or housing contracts, or the building of public buildings that specific clauses be placed in these contracts not just merely recommending that contractors purchase local lumber but demanding that they purchase local lumber, -

MR. NEARY: Hear! Hear!

MR. THOMS: - so that we can find a ready market for our local produce and thereby help out our local producers and thereby employ our own people.

I would like for the minister to comment on this when he closes the debate, Mr. Speaker. The other aspects of this bill are very minor, very minor indeed.

MR. NEARY: Hear! Hear!

MR. SPEAKER:(WELLS) The Hon. Member for Port de Grave.

MR. G. WILSON: Mr. Speaker, seeing it is the lumber business that is brought up on the floor of the House I would like to get up and speak. It may be quite a lot differently from the Member for Bonavista. He went into all of these great details about the lumber and the lumbering situation. He never once came forward -

He probably could do some advertising as a member from a lumbering district himself. He probably do some advertising to sell some. I find it very hard in my little business as do others to get a bit of local lumber. They ask us to sell it, Mr. Speaker, but when you go to look for it there is none there. All the sawmills are idle and yet the lumber business was never better than it is at the present time.

Prices are increasing daily and there is no local lumber to get. The reason why our lumber in this Province is not being sold - he struck on one point there - our people cut the shorter lumber. As I said before in this honourable House, you cannot build a house out of all short lumber. Therefore, that is why the local lumber is not longed for the same as the mainland lumber. I know whereof I speak, because it was only three or four days ago that lumber on the mainland advanced in price. As far as I know they will not be dumping any because by August, I would say, we will be paying about \$250 or \$275 a thousand for it on the mainland, and there is no one offering any local.

Ever since last year I myself, personally, was in the market for 150,000 feet of local lumber. I went to some of the people who have the Rural Development grants to get lumber but they would not sell it. The members have said in this House that they could not sell it.

MR. NEARY: Why?

MR. WILSON: Do you know the reason why? Because they had none to sell.

MR. NEARY: They what?

MR. WILSON: They had none to sell.

MR. NEARY: Out in Clarenville and Gambo the yards are blocked.

MR. WILSON: Why do they not try to sell some of it?

MR. NEARY: They tried to sell it. They cannot sell it.

MR. WILSON: Why does not the honourable the Member for Bell Island if he is so interested in the people of the Province of Newfoundland go and advertise?

MR. SPEAKER (Wells): Order, please!

MR. NEARY: (Inaudible)

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

It would be appreciated if members would address the Chair and not engage in any altercation between themselves.

MR. WILSON: Mr. Speaker, I say again, if the honourable the Member for Bell Island would put forward and show that he is interested in getting jobs so that the people of this Province could go to work, then probably he could act as agent for some of those who have a lot of lumber and they could sell it and benefit.

MR. NEARY: You would have to pay the price for it, you know.

MR. WILSON: Mr. Speaker, no one mentioned price. No one asked any price. I am not pricing any lumber on the floor of this House of Assembly. I am speaking of the lumber business and the forestry of this Province.

MR. NEARY: Do you want to set a price?

MR. WILSON: I think there can be a great benefit derived from it but the people of the Province have to settle down to business and do something about it. But I take exception -

MR. NEARY: (Inaudible)

MR. WILSON: - I take exception -

MR. NEARY: Is the member condemning the sawmill operators?

MR. WILSON: I am not -

MR. SPEAKER (Wells): Order, please!

MR. WILSON: I am not condemning no sawmill operators.

MR. SPEAKER (Wells): Order, please! The Member for Port de Grave has the floor, and he should be allowed -

MR. WILSON: I am not even condemning the Member for Bell Island. Some things you might be all right on, on others you are far off.

MR. NEARY: Are you condemning Rural Development?

MR. WILSON: I am not condemning Rural Development.

MR. NEARY: Then what are you saying?

MR. SPEAKER (Wells): Order, please!

MR. WILSON: But I condemn the honourable the Member for Bell Island for being against Rural Development.

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

MR. NEARY: I am not against Rural Development.

MR. SPEAKER (Wells): Order, please! The debate must not degenerate into an exchange of comments back and forth between two members. This is absolutely forbidden. I would ask the honourable member to restrain himself and the honourable the Member for Port de Grave -

MR. WILSON: As I say, Mr. Speaker, a great disservice is being done to our sawmill operators. Probably in places such as this - and the honourable the Member from Bonavista came in and stood on the floor speaking about lumber, and he from a lumbering district. First and foremost he should have a better attitude toward the lumber business and if he wants to sell lumber for some of those people who are in these community and in his district, probably he could try to act as agent for them.

MR. NEARY: He is trying to sell potatoes not lumber.

MR. WILSON: This is the whole trouble with our Province as far as that is concerned, we would sooner talk about something from the mainland than advertise something that we have, that we can produce ourselves. This is the whole trouble. And who does it, Mr. Speaker? None other than such as the honourable member who just recently spoke. This is not doing any good for the situation at all.

MR. NEARY: What did he do that is so bad?

MR. WILSON: He degraded the lumber business.

MR. NEARY: No. He is upgrading it.

AN HON. MEMBER: No way.

MR. NEARY: He is praising it.

MR. WILSON: He is saying it cannot be sold. The market was never better for lumber than it is at this present time.

MR. NEARY: Why do you not go out and sell -

MR. WILSON: But you cannot sell anything that you do not have.

Mr. Speaker, I compliment the Minister of Forestry on taking over and what they are trying to do such as opening up roads to resources. But one thing I say again on the floor of this honourable House, is that the members of this honourable House should not tolerate what happened here the other day.

MR. NEARY: What was that?

MR. WILSON: When the honourable the Member for Bonavista got up and supported a petition for access roads that are going to be built in Fox Marsh but he was dead opposed to the access roads being built. But he comes in here and he wants to find jobs. Dead opposed to it. Dead opposed.

MR. NEARY: They are off their heads because they are going to build that access road. The member wants it built.

MR. WILSON: Sure he wants it built. And as far as I am concerned it should be built.

MR. NEARY: Any vested interested in it?

MR. WILSON: No I do not have any vested interest in it. Probably the honourable member may be interested because he might decide to go over that way to try to get elected. Because he will never get elected again on Bell Island.

Mr. Speaker, as I have said before, I think the Minister of our Forestry Division is doing a fine job, as far as that is concerned, in opening up the access roads to let those who want to get timber get in and out it. The availability of roads will be there to get in to cut timber for those who want to cut it. And those who do not want to cut it, well they can do the same as they always did, and thank you.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER (Wells): The honourable the Member for Hermitage.

MR. SIMMONS: Mr. Speaker, before the minister closes the debate I just want to make two or three quick points. Mr. Speaker, first of all my colleague from Bonavista North has left the chamber but in any event he has already spoken so cannot again so just let me put in context for the benefit of the Member for Port de Grave what my colleague said. He certainly did not say the kinds of

things that the Member for Port de Grave said he said.

MR. WILSON: (Inaudible)

MR. SIMMONS: He was not, Mr. Speaker. My colleague was not downgrading the Newfoundland lumber industry. He was making a strong plea to the minister to promote the Newfoundland lumber industry. I distinctly heard him ask the minister, beg the - and it is not the first time he has had to do that either - ask the minister to take some initiatives to promote the sale of local lumber. And in doing that, Mr. Speaker, the Member for Bonavista North is not alone. Because even in the newspapers today we see an item from the Newfoundland Lumber Producers Association which represents about thirty-five sawmill operators in the Province, and according to this article the Lumber Producers Association of Newfoundland has warned that the lumber industry faces, "Immediate collapse."

MR. NEARY: Now what have you got to say about that?

MR. SIMMONS: "Immediate collapse." unless the current

chaotic conditions in Newfoundland is stabilized. Now, Mr. Speaker, I have heard all kinds of songs and dances and eulogies about how this administration has straightened out the lumber industry. They have straightened it out okay. They have straightened it out, Mr. Speaker, and if the member for Harbour Grace were here, who I understand is a sometimes undertaker, he would know, Mr. Speaker, exactly the import of the term I have just used when I say that the government have straightened out the lumber industry. They have laid it to rest. They have straightened out the lumber industry all right. Here is the Lumber Producers' Association representing thirty-five sawmills saying that they fear the immediate collapse of the industry unless the current (and I am quoting him) chaotic conditions in the lumber industry in Newfoundland is stabilized. And they go on to say, Mr. Speaker, that one of the problems is the need to promote a strong and lasting market for locally produced lumber at stabilized prices.

Now, Mr. Speaker, I can only come to the conclusion that the member for Port de Grave either did not hear what my colleague said or did not understand it. And I say either conclusion is a fair one. He obviously did not understand it, Mr. Speaker. My colleague has made an impassioned plea that the minister would do something, Mr. Speaker, to help stabilize -

MR. REID: What did you do for the N.T.A.?

MR. SIMMONS: Oh, the member wants to talk about the N.T.A. Well I would be delighted to talk about the N.T.A. at any time with him at any time. The member has a tremendous facility, Mr. Speaker, for being most relevant at the wrong time. Mr. Speaker and I, the present Speaker, the present occupant of the Chair and I have had some happy associations within the N.T.A., and he and I could talk for a long time about the matter. But, of course, this is not the appropriate place right here now. But if the member wants to debate it, I will be happy to get into the debate with my role in the N.T.A. at any time at all. So let us stick with the subject right now.

MR. NEARY: All he knows is about the school buses.

MR. SIMMONS: Mr. Speaker, I think the point is made insofar as my colleague from Bonavista North is concerned. It is not what the member for Port de Grave said, rather he wants to see local lumber promoted. The government has made some statements about the subject, but when we tried to nail the government down on the specifics of that statement, during the estimates on Forestry and Agriculture, there were differing versions from various government members as to what was said and what was intended. Were they going to make it law? Were they going to oblige people to buy local lumber or were they thinking about it? And I came to the conclusion after several exchanges on the subject during the estimates on Forestry and Agriculture, I came to the conclusion that they were not even thinking about it except as we were forcing the thing about it in a few questions back and forth.

Now, Mr. Speaker, I was about to come to a couple of questions for the minister. I shall stall on that matter until the minister is not so preoccupied. And in the meantime I hope when the minister gets up he will not get on this tirade again about all they have done. Because the sawmill people do not believe him. They might convince some people on their side of the House but the sawmill people do not believe them. They do not believe them for a very good and tangible reason.

MR. MOORES: Which ones?

MR. SIMMONS: I could name a few for the Premier.

MR. MOORES: Go ahead name them.

MR. SIMMONS: I could name a few for the Premier.

MR. MOORES: Go ahead.

MR. SIMMONS: No, I shall not name individual sawmill operators here.

MR. MOORES: Chicken.

MR. SIMMONS: I am not chicken, Mr. Speaker. Were I to name them the Premier would be the first to point out that I was now dragging individuals into this which is his other tactic. He got at least two that he uses well. I shall not name them. Now that I have the attention

of the minister, or I do not know about the attention but the minister does not appear to be preoccupied, I just want to put a couple of quick questions to him.

Mr. Speaker will recall that during question periods in the past few weeks I have raised on three separate occasions the matter of timber permits for the small sawmills in the Bay D'Espoir area. And on the third occasion I raised the question and the minister gave me to understand that his officials had been in touch with the Bay D'Espoir Development Association and that a meeting was being arranged. Well, Mr. Speaker, I took the minister at his word. I figured that he was giving us information to the best of his knowledge and perhaps he was, Mr. Speaker, but I will tell him now that the information was not correct that he gave me. I checked with the Bay D'Espoir Development Association, Mr. Speaker, right after announcement in the House by the minister in answer to a question from me. I checked with the Bay D'Espoir Development Association, and I checked with them in the last week. Now he may have been talking to an individual in the association because I was not able to poll, nor was I in a position nor was I inclined to poll every individual member of the association. It is a fairly large and sprawling organization.

AN HON. MEMBER: No official -

MR. SIMMONS: But, Mr. Speaker, the secretary -

MR. HICKMAN: On a point of order, Mr. Speaker. What the honourable gentleman is saying right now may be very interesting but nothing could be more irrelevant and more further removed from the principle of the bill that is presently before the House. And the principle of the bill that is before this House is a very simple one to authorize officials of the department to issue or renew licences to operate sawmills and to fix the date for the submission of the annual returns. This is totally irrelevant.

MR. SIMMONS: To the point of order, Mr. Speaker, to the point of order. I was, I feel, Mr. Speaker, addressing myself very directly to the second item under explanatory notes. I was coming to the matter of licences. I was on that very subject at the time, Mr. Speaker, I submit in that context I was being extremely relevant.

MR. SPEAKER (Mr. Wells): Well I would ask the honourable member then to keep to the relevant subject matter of the act when he continues his remarks.

MR. SIMMONS: Thank you, Mr. Speaker.

I can appreciate that the Minister of Justice does not want to hear the details of what I have to say.

MR. HICKMAN: By what rule?

MR. SIMMONS: Mr. Speaker, the fact of the matter is that the people in Bay D'Espoir are either having difficulty getting those licences or if they are not having difficulty, they are certainly somewhat frustrated on the matter. Now I have taken up with the minister on, as I say, at least three occasions, I have been assured that he would do something about it. Well, I talked to sawmill operators as recently as Sunday past, and they are still as frustrated as they were on this matter earlier. I would ask the minister - my question to the minister is: What initiatives have been taken or what can he do to solve the situation that I have referred to on a number of occasions? The other matter I want to raise here before the minister closes the debate - I am not sure, I must admit to him I have not gone back and got the Saw Mills Act which this would amend, but I am not clear from the explanatory note as to whether the change in dates would allow a sawmill operator or a person applying for a licence, a person who has had a licence, I am not sure whether this would allow him to get another licence before he has paid the royalty on the logs he has cut during the preceding season, the preceding Winter. Now I understand at the moment, either by regulation or by practice, there is a procedure which does require the person holding the licence to pay his royalty before he can get a new licence. That is the procedure at the present is it not? Because of the change in dates, would this allow him -

MR. COLLINS: It is a provision but it is not always enforced.

MR. SIMMONS: I see the minister says that it is a provision but it not always enforced.

I am wondering now in view of the changes of dates and the provision to allow a month for the returns to be submitted, I am wondering if it would be, first of all, technically possible for the person to get a new licence before he has paid up his royalty in respect of his previous licence, whether it is technically possible, and secondly what the minister's view is on the matter?

Mr. Speaker, the minister interjected a minute ago that that was fair enough to require him to pay up his royalty. Well that is a matter of opinion, Mr. Speaker. I am not advocating that the minister's department should allow a lot of delinquency in this particular matter but the other side of the coin is this, that a number of the small sawmill operators do not have a lot of working capital and sometimes it is difficult, sometimes it is impossible for them to make the royalty payments. I will not go into details, but I am sure the minister can follow me through as to what the reasons are in terms of the collecting the money for the logs cut and that kind of thing. There are reasons, very good reasons why the sawmill operator who does not have a lot of working capital at hand has difficulty paying his royalty on the logs cut before he gets his new licence and the net effect of that particular procedure, Mr. Speaker, is that it tends to militate against the small sawmill operators who want to get on with the job of cutting the logs for the new season.

I would ask the minister what the policy is on that matter now with the proposed changes here and in particular what his view is on the matter of an operator getting a new license before he has paid up the royalty in respect to the logs which have already been cut?

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

MR. COLLINS: Mr. Speaker, the whole thing so far has been completely irrelevant and out of order when we think about the principal of the bill. However, I figure that it might be an opportunity for some honourable member to raise of the problems facing the industry and there is no doubt about it there are some problems. However, I find it very difficult to sit on this side of this House and listen to people on the Opposition benches making accusations about the fact that this government has done nothing about the sawmill industry in Newfoundland. Nothing could be further from the truth and I am sure the people in the galleries and the people in the press and the people across this Province will realize that never was there so much done for the sawmill business in Newfoundland as there has been done by this government in the past three years.

Mr. Speaker, the same bunch, weeks ago and months ago or days ago or almost hours ago have been criticizing this government for putting money into sawmills around this Province whenever they get up making reference to the Department of Rural Development, what a waste it has been of all the money which has gone into sawmill operations in Newfoundland. There are 1,300 sawmill operators in the Province today, 1,300 mills. A lot of them are small. The greater proportion of them are small. In fact, 1,260 of them are small mills relatively speaking but the money which has gone into the mills and the efforts which the Department of Forestry have made to make it possible for those people to go in the woods and cut some timber to build their boats and build their stages and build their houses or whatever needs they might have for lumber, the work which has gone into that, Mr. Speaker, in terms of access roads, one of the major

expenditures in our Department of Forestry, one of the major expenditures has been in the provision of access roads designed for nothing more than to make it easier for loggers to get in the woods, to cut the saw log sticks and get them to the mills and get them sawed.

How in the name of goodness can those people if they expect, if they expect anyone to give them any credibility at all, how can they stand in this House one day criticizing the government for putting too much money into an industry and then the next day when the opportunity arises, you know, to make a few political points say that, you know, the government has done nothing.

MR. NEARY: Who said that?

MR. COLLINS: It is coming from those benches every day, Mr. Speaker, I submit. Never was there so much done for the sawmill industry in this Province before as has been done in the past three years and it is continuing to be done. The honourable member raised a question about Bay D'Espoir. On three occasions he has raised on Orders of the Day, Question Period in this House asking me about the problems which the sawmill operator has in Bay D'Espoir. He always relates it to the fact that there is a major integrated sawmill just about to come on stream in the honourable member's district. I will not mention the name. Honourable members know the name of the mill, the name of the individual who was promoting and developing the industry down there. Is he opposed to that mill, Mr. Speaker? Is he opposed to the establishment of a major mill in the Bay D'Espoir area where goodness knows there is a need for employment. We all know the resources there, one of the few areas whereby government can move in and assist, not a depressed area by any means but an area where employment is needed and where the resource is available and I must say, Mr. Speaker, that we have possibly one of the most dedicated, one of the most knowledgeable men in Newfoundland today in terms of logging and sawmilling moved into the area. Is he against that? But does he want us to close that down, make it impossible for that man to be able to operate for the sake of one or two small push cart mills

around.

AN HON. MEMBER: Sure he does.

MR. COLLINS: Sure he does. If that is so, Mr. Speaker, the people in his district will have to decide whether he is on the right track or we are on the right track.

MR. SIMMONS: Sacrifice the small mills, you said that.

MR. MOORES: No, you did.

MR. SPEAKER: Order, please!

MR. COLLINS: Mr. Speaker, the honourable member can twist things around as much as he wants to. We all know him for what he can twist and he has tried it here again today but he is not going to get away with that. He raises a question -

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

MR. SPEAKER: Order, please!

MR. SIMMONS: Mr. Speaker, if the minister is going to refer to comments I have made I think it is fair to ask if he do so correctly. I made no reference to the large independent sawmill, the Ralland Forest Products. I am very much in favour of it but it has nothing to do with the question I raised. I was raising matters about the small sawmills and he is misconstruing what I have said, Mr. Speaker, and I ask you to ask him to refrain from doing so.

MR. SPEAKER: Order, please! The comments made by one honourable member certainly can be misinterpreted by another honourable member. From the Chair's viewpoint it is merely a difference of opinion between two honourable members.

MR. EVANS: I thought you were talking about small stills.

MR. COLLINS: Thank you, Mr. Speaker. None of the honourable members across the way have the fortitude or good sense, you know, you could say the decency to draw attention to the fact that not only in Newfoundland are sawmills in trouble. From Vancouver to St. John's, Mr. Speaker, the lumber industry has never, I suppose, been in the trouble that it is in, that it has been in. It is starting to look brighter. Things are improving and on the horizon we can see some chances of

improvement pretty quickly. But during the past year there has been approximately 13,000 people involved in the lumber industry in British Columbia laid off. There have been 14,000 people in the Province of Quebec involved in the lumber industry laid off. There has been no one, Mr. Speaker, and when I say no one, there might have been a few but there have been very few people in Newfoundland laid off for the simple reason that a great amount of the, a great number of the small mills are seasonal operations and they have not been involved in operating the mills at Wintertime. They have been in the woods harvesting the raw material for the Spring. Some of the larger mills, and when he says and when members opposite say that this government has done nothing, who started the mill in Main Brook in White Bay. Who has got that going again, the Canada Bay Lumber Company. Who has got the mill going in Hawkes Bay? Who has got the mill going in Gambo? Who has got the mill going on the Gander Bay Road? Who has got the big mill going in Glenwood? Who has got the mills which are coming onstream in the next two or three months going again? Has it been the members on the Opposition? All we have heard from them is criticism. My goodness, if people who intended to start a sawmill, from listening to the honourable Member for Hermitage, he would probably go out and try to burn what he could and salvage something.

AN HONOURABLE MEMBER: Where did he go?

MR. COLLINS: I do not know where he went, Mr. Speaker. It is so unreal. There is a bit of trouble in the industry. We all know there is trouble in the industry.

AN HONOURABLE MEMBER: Inaudible.

MR. SPEAKER: Order, please!

MR. COLLINS: But we are doing what we can to bring about some assemblance of order in it. We announced some time ago that the government was going to require all government departments and all government agencies to use Newfoundland produced lumber in all government contracts. Mr. Speaker, there is an Order in Council passed about three weeks ago, the Newfoundland and Labrador Housing Corporation, the Power Commission, the Department of Public Works, all of the departments and the agencies

which are in the habit of using lumber have been directed to make sure in all of their tender calls and make sure in all of their tender awards that Newfoundland lumber, and we have to make some specifications there, that Newfoundland lumber where possible in terms of grade and quality - and that is a consideration. We cannot require a Newfoundland contractor to purchase lumber in Newfoundland, two by fourteen or two by sixteen or two by twelve. It is not available. But where the lumber is available in quality and quantity then they are required to use it.

They make allegations, Mr. Speaker, about the vast amount of lumber which is in inventory in mills across this Province. I would like for them to show me where it is. Show me where it is. I know where there is some. I know where there is some.

AN HONOURABLE MEMBER: In Clarendville -

MR. COLLINS: I know where there is some, Mr. Speaker. There is a fair amount of lumber in inventory in one mill in Newfoundland and that mill is in Gambo. It is a concern of me and it is a concern of this government. But generally speaking, Mr. Speaker, there is very, very little lumber in inventory in Newfoundland. Thank goodness for that! Much different than the case which we will find in New Brunswick and Quebec and British Columbia. Of course, there is a good reason for it. I will be honest about it and say that the fact is that we do not produce to the extent which those people produce. But, Mr. Speaker, for honourable members to get up and say that this government and my department have done nothing about the sawmilling industry in Newfoundland, it is beyond - you really cannot listen to it. I hope the press are listening to what I am saying and they listen to what other people are saying because if they listen to them and the word gets around Newfoundland, you now, I fear for the future of the industry. Maybe that is their idea, you know, to keep the industry down like they always did. It would not be anything different from what they have done before.

But, Mr. Speaker, we have done what I just said and we are determined that whatever needs to be done in the future will be done to insure that the 1,300 sawmills which this government has promoted, established and supported will continue to prosper and that new mills wherever possible will be brought onstream.

SOME HONOURABLE MEMBERS: Hear! Hear!

On motion a bill, "An Act Further To Amend The Saw Mill Act," read a second time, ordered referred to a Committee of the Whole House on tomorrow.

On motion second reading of a bill, "An Act To Amend The Natural Products Marketing Act."

MR. SPEAKER: The honourable Minister of Forestry and Agriculture.

MR. COLLINS: The passage of this bill, Mr. Speaker, will allow, again I suppose I will be criticized for making it possible to delegate authority to certain designated officials and I found, Mr. Speaker, in that department that almost everything, almost every piece of paper which requires a signature must come to the minister, almost every request which comes in, regardless of how unimportant sometimes it might be, must come to the minister and he has got to delegate some authority to the 800 people who are working in that department. If we cannot delegate some authority and give them some work to do and give them some responsibility then we might as well get rid of them and let me try it myself. But I really cannot do that and we have 800 people and we must use them.

The main purpose I suppose of this Act is to permit government, if it is our desire, to establish additional marketing boards. Now I am not saying that we are going to establish additional marketing boards. But under the Natural Products Marketing Act, it covers I think most of the, mainly the agricultural products which are produced in the Province, We are enlarging the Act, we are amending the Act to include forest products. And as I said this will give us the authority, if we need it, it will give the government the authority if we need it, to introduce some proper marketing controls and production controls with regard to lumber and lumber products. That of course will require further consideration but we must have this amendment here, otherwise we cannot bring about the creation of a marketing agency if we do need one.

The Act, Mr. Speaker, as it is now, provides primarily for marketing control. I am thinking here about the Newfoundland Egg Marketing Board which has been established under the auspices of this Natural Products Marketing Act. And the Egg Marketing Board, as everybody knows we have run into trouble not only in Newfoundland, we have not had that much trouble in Newfoundland, but across the country we are running into trouble in terms of, not altogether in the marketing process but in production. If you are going to market something, I think you have to control production.

If you could only market 100,000 quintals of fish there is not much sense in producing more than that. So we are making provision here so that there will be some control on production and mainly what we are thinking about is our obligation to CEMA which makes it necessary for some provinces and we might be faced with it sometime, we might be required to control the production and of course that means the number of hens which any of the producers might have and the number of eggs which are produced.

Also, Mr. Speaker, the Act as it is now provides for the establishment of marketing schemes to be administered by a commodity board and it also requires the minister to cause a plebiscite to be held. Before a marketing board can be established there has to be a plebiscite held of the producers as it relates to whatever commodity it might be. That we think is a little bit cumbersome and unnecessary. I think that the minister and Cabinet should, in their wisdom, be able to establish a marketing board and also if the need should every arise be able to withdraw the powers of the marketing board without having to go through the cumbersome efforts of causing a plebiscite to be held.

We are also restricted, Mr. Speaker, as the Act applies now, to have any representatives on a marketing board other than the producers. For instance all of the people who are members of the Egg Marketing Board in Newfoundland are producer members. They are the producers and they are the members of the board and make the decisions.

This government have decided that in the interest of all concerned, that we should be able to appoint other representatives to such boards. I am thinking of course, Mr. Speaker, of the possibility of appointing someone representing the consumers' point of view or anyone else whoever that might be. It is broadening our terms a little bit and as far as I am concerned, Mr. Speaker, good legislation and it gives me great pleasure to move second reading.

MR. SPEAKER: The honourable Member for Bell Island.

MR. NEARY: This is a sort of a motherhood, Sir, bill. We will vote in favour of the bill, Sir, and heartily concur with the minister's

suggestion, Sir, that consumer people, the consumers, we are all consumer people, that the consumers be given representation on these boards in the future. I think would be a very wise move indeed and the minister did not indicate when he would do this but I would hope, Sir, that it would be reasonably soon.

MR. SPEAKER: The honourable Member for Labrador South.

MR. MARTIN: I have just one question on this, Mr. Speaker, If I heard the minister correctly he said that it would be at the minister's discretion whether or not the plebiscite would be held. He mentioned that it was cumbersome to go around holding plebiscites and I am wondering what is so cumbersome about the practice of democracy that we should try to override it altogether. Of course it is cumbersome. But I do not think it is fair to impose upon a group of people government controls without allowing them to have say in the matter. If I am mistaken in that perhaps I could be enlightened but it does not seem to me as the kind of thing that I would want to rule on.

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

MR. COLLINS: If the honourable member would look at the section in the Act and the explanatory notes, it says that the bill would provide the minister with certain discretionary powers. It did not say that we would not follow through with plebiscites, there is something to be said for plebiscites, but Mr. Speaker, there could be times, there could be occasions when going through the - it is a rather cumbersome bit, if we could come up with a ballot paper and say to the people of Newfoundland we are going to have a vote on this that might not be too bad. But if you have a lot of people involved in any particular endeavour from a producer point of view, we would have to contact all of those people, try and get them together, which is sometimes pretty difficult, so what I am saying then is that we would naturally poll the producers, because the producers are the ones who might have, not might but would have the greatest interest, we will poll those people and see what their thoughts are, try and reach a consensus. But without having to go through the cumbersome effort- sometimes, I think it is absolutely necessary that we do have the power

to establish a board.

We certainly would not establish a board if the producers did not want it because if they did not want it, if the majority of them did not want it, then the board of course could not work, So it is a power which would be exercised with some discretion and very carefully.

AN HON. MEMBER: - one way or the other.

MR. COLLINS: That is right.

On motion a bill, "An Act To Amend The Natural Products Marketing Act, 1973," read a second time, ordered referred to a Committee of the Whole House presently by leave.

MR. HICKMAN: Order 57, bill number 59.

MR. COLLINS: Mr. Speaker, a bill, "An Act Further To Amend The Crown Lands Act."

MR. SPEAKER: Order, please! Order, please! The Chair has not proposed second reading. It is Order 47, I understand. Bill number 59, it is moved and second Bill number 59 entitled, "An Act Further To Amend The Crown Lands Act," be now read a second time.

The honourable Minister of Forestry and Agriculture.

MR. COLLINS: Yes, Mr. Speaker, the explanatory notes I think are adequate here. It is a minor amendment. The bill would provide that overdue stumpage and other charges payable to the Crown under a licence or permit to cut timber, will attract interest at an annual rate equal to the prevailing Bank of Canada lending rate compounded monthly. The same interest rate would be applied to overdue stumpage and other charges which are required to be collected and remitted by a holder of a licence to purchase timber. The bill would also empower the minister to get delegate authority.

The main reason for this bill, Mr. Speaker, results from the Auditor General's Report, this past two or three reports I think, certainly the past two and most recently this past year where we have

receive some criticism in that there has been no interest charged on outstanding royalties. The Auditor General is of the opinion, and I suppose a lot of people might agree with him, that unless there is some penalty there is really no incentive for someone to pay their bills. We have decided that in all fairness to everybody that the Bank of Canada lending rate would apply. That will vary from time to time, but we can adjust the interest rates. The idea here is to have the people submit their returns. It does not cost all that amount of money.

I think someone mentioned over there, the honourable Member for Hermitage I think, that, you know, the royalty payments were really hurting the sawmill operator and one of the reason why they could not continue to survive. Mr. Speaker, I can say that that is not the largest input cost in operating a sawmill. If the sawmill is in a position where they cannot operate because of the stumpage payments they are making, then I would fear for the success of that particular mill.

So, this is to bring about some accounting procedures which the Auditor General has requested and in fact more or less demanded that we do.

MR. SPEAKER: The honourable Member for Bell Island.

MR. NEARY: Mr. Speaker, the minister, Sir, pointed out in his introductory remarks that this part of the amendment had to do with plugging a loophole that has been pointed out on a number of occasions by the Auditor General. But, Sir, the minister made it sound all very simple indeed. The minister did not go into any great detail of what the Auditor General pointed out in his report.

Well, on page 15, Sir, of the Auditor General's report, March 31, 1974, the Auditor General is severely critical of the minister and his department for not collecting penalties imposed under the Bowaters Newfoundland Act.

MR. COLLINS: That has nothing to do with it.

MR. NEARY: Yes, Sir, that has all to do with it, Sir.

MR. COLLINS: Stumpage.

MR. NEARY: Stumpage. Well, Sir, it does.

MR. COLLINS: Mr. Speaker, on a point of order. That particular section of the Auditor General's report having to do with government not collecting

monies owed by Bowaters, as the honourable member well knows, there is an act already passed - it was passed by his own crew over there some years ago - which required Bowaters to export an amount of wood every year from the Province. I think it was 50,000 cords. Now, if they did not export the wood, Mr. Speaker, they were fined.

That is what the honourable member is talking about. It has no relation to this bill at all in the world. This government has been kind enough to try and negotiate with Bowaters in view of the fact that we have changed our policy in terms of requiring people to export raw material from the Province for processing in other places. But, Mr. Speaker, to introduce the Bowater Act into this particular bill, in my opinion, is certainly completely out of order.

MR. NEARY: Mr. Speaker, I would submit, Your Honour, that my remarks in connection with this bill, Sir, are completely in order, and that Your Honour not shoot me down in mid air, Sir, but give me a chance to make my point. The minister is anticipating what I am going to say. The minister referred to the Auditor General's report, Sir, and I am only just concurring with the minister's statement and reading directly from the Auditor General's report that the minister referred to a few moments ago and completely in order in so doing.

MR. SPEAKER: Order, please!

Again the Chair has to rise and say that it is the Chair's opinion that it is a matter of a difference of opinion between two honourable members.

MR. NEARY: You are quite right, Mr. Speaker. Mr. Speaker, there is an amount outstanding, owing to the Province by Bowaters of \$100,000. That was for one year, Sir. The recommendations were made by the Auditor General to the minister to do something about this matter, to try to collect this stumpage, to try to collect this money or penalties or whatever it is, Sir, whatever it is is owing the minister's department. The Auditor-General asked the minister to do something about collecting this \$100,000.

Then, Sir, in 1974 the Auditor General had to come back and make the following statement. Where is it? I am after losing it now. Here we are. "I now report," the Auditor General says, "that a further amount of \$200,000 has now been recorded in the accounts of the Province representing

penalties of \$200,000 imposed for the two year period ending May 31, 1974. Of this latter amount of \$200,000 only \$100,000 should have been set up as receivable on March 31, 1974. On March 13, 1974 I requested the Department of Forestry and Agriculture to inform me what action if any has been taken or is intended to be taken with respect to the rejection. Bowaters claim they do not owe the money, Sir, the Auditor General wants to know what the minister is doing about it.

MR. MARSHALL: On a point of order.

MR. NEARY: It says -

MR. SPEAKER: Order, please!

MR. MARSHALL: On a point of order.

MR. SPEAKER: The honourable Member for St. John's East on a point of order.

MR. MARSHALL: I feel that I have to sit in here day by day and get bored. Your Honour I understand the purpose of second reading is to debate the principle of the bill. I also understand that Your Honour cannot or no member can read all the mammoth amount of legislation that comes before the House. But, this particular bill involves two principles. Number one is the charging of interest on overdue stumpage and other charges payable under a license or permit to cut timber at the prevailing bank rate, and the other is to empower the minister to delegate authority to issue permits.

Now, Mr. Speaker, this is not really a difference of opinion. I mean, what the honourable Member for Bell Island is now discussing, while it might be a matter of interest at some other time and in another place, what he is now discussing, Mr. Speaker, is a matter that is totally disconnected with this bill at all. It does not relate to the charging of interest on overdue stumpage. It does not relate to giving of a license. And as I say I feel that the honourable Member for Bell Island is being totally irrelevant to the principle of the bill. In the interests of trying to get the business of the House on and not driving everybody to sleep, I think the honourable member ought to be asked to discontinue those remarks in that vein.

MR. NEARY: Mr. Speaker, this is the same point of order that was raised earlier, Sir. I will submit that Your Honour has already ruled on that

point of order. The honourable member should be in his seat to hear the debate, read the bill, do his homework, see what we are discussing and sit in his seat in the House instead of being out wandering up and down the corridor and out in the common room. Come into the House and listen to what is going on! I would submit, Sir, that I am completely in order. I am reading directly from the Auditor-General's report, Sir, that was referred to by the Minister of Forestry concerning this very matter, Sir.

MR. MARSHALL: No, it is not.

MR. NEARY: Oh, I beg your pardon. It is, Mr. Speaker. It is not a point of order, Mr. Speaker. It is hardly too foolish to talk about.

MR. SPEAKER: The honourable Minister of Transportation and Communications.

MR. ROUSSEAU: Mr. Speaker, to the point of order if I may because it is a rather important point that we should keep track of here. This happens a couple of times a day. You know, when a minister of the crown stands up and introduces a bill and says something is such and somebody across the House says, no, it is not that way and the minister piloting the bill says it is, it is not just a matter of difference of opinion. Mr. Speaker, I think that, you know, the honourable House should recognize the fact that an honourable minister is not deliberately or undeliberately or indeliberately misleading the House. If the minister piloting the bill through the House says, no, that is not the case, then I think that if all members of this House are honourable as they should be and should be called by that term, then they should accept at face value the word of the minister, -

MR. NEARY: What is the point of order, Mr. Speaker.

MR. ROUSSEAU: - that the point -

MR. NEARY: Inaudible.

MR. SPEAKER: Order, please!

MR. ROUSSEAU: - the point being made is that if the minister is telling you, no, it is not associated with this bill and the honourable Member for Bell Island persists in saying it is, that is more than just a difference of opinion. It is a matter of principle in my opinion.

MR. NEARY: I am reading from the Auditor General's report.

MR. SPEAKER: Order, please!

MR. MARSHALL: Mr. Speaker, if I may just talk on the point of order

for a minute.

MR. SPEAKER: Order, please!

The honourable Member for St. John's East.

MR. MARSHALL: You know, the honourable Member for Bell Island - I was here in my seat and I heard the point of order. But, the fact of the matter is what the honourable member is in essence attempting to do is to debate the Auditor General's report.

MR. NEARY: Inaudible.

MR. MARSHALL: And there is plenty of -

MR. NEARY: Sit down, boy, and do not be making a fool of yourself.

MR. SPEAKER: Order, please!

MR. MARSHALL: There is plenty of opportunity in the estimates and what have you for this to be done. But, the principle of this bill, Mr. Speaker, is relating to the charging of interest on these licenses and the granting of licenses themselves and in no way -

MR. NEARY: No, Mr. Speaker, that is not so, Sir.

MR. MARSHALL: If the honourable Member for Bell Island knew what he was talking about he would know that that was a separate arrangement altogether and is completely extraneous to the principle of this bill as is a matter raised in the Auditor General's report on the Department of Justice, of Transportation and Communication or another department.

MR. SPEAKER: Order, please!

On the point brought up by the Minister of Transportation and Communications, of course the Chair will only rule on matters that - if they feel they are not just a difference of opinion, if one member accuses another of deliberately misleading the House or accuses him of lying or some such things as that -

MR. NEARY: He accused me of (Inaudible) water bombers.

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

I would remind the honourable Member for Bell Island that at least he should be quiet when the Chair is trying to make a ruling.

MR. SPEAKER:

The Chair further submits that the honourable Member for Bell Island was being irrelevant to the principal of his particular bill in continuing to talk about the Auditor-General's report.

MR. NEARY: Relevant or not relevant, Sir?

MR. SPEAKER: Irrelevant.

MR. NEARY: Irrelevant. Well, Sir, I wonder, Mr. -

MR. SPEAKER: Order, please! The honourable Minister of Transportation and Communications on a point of order.

MR. ROUSSEAU: On a point of order, Mr. Speaker. It perhaps escaped the honourable Speaker and I do not think the honourable Member from Bell Island would suggest across the House that myself was lying in respect to any water bombers. I would respectfully request the honourable Member from Bell Island to retract that statement.

MR. NEARY: Sir, I did -

MR. SPEAKER: Order, please!

MR. NEARY: I made no such statement, Sir.

MR. NEARY: Order, please!

MR. NEARY: Do not be so foolish!

MR. SPEAKER: Order, please!

MR. NEARY: I will make my statement outside the House shortly.

MR. SPEAKER: Honourable members persist in interrupting, several honourable members may have to make statements outside the House because they may not be permitted to speak inside the House. The Chair as few moments ago made a point that honourable members should remain silent when the Speaker or any other honourable member has the right to speak. Again, and with two example of it yesterday, when honourable members are talking when they should not be talking it is difficult for the Chair to get any points or any comments that are being made. Certainly the Chair failed to hear any comments made by the honourable, allegedly made by the honourable Member for Bell Island with regards to the honourable Minister of Transportation and Communications.

MR. NEARY: It is all his imagination. His imagination is taking control of him.

MR. SPEAKER: Order, please!

MR. ROUSSEAU: You and I know different though, do we not?

MR. NEARY: I will fix the minister before the evening is over.

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, Sir, the -

MR. ROUSSEAU: You and your brother-in-law -

MR. SPEAKER: Order, please!

MR. NEARY: The minister - no, Don Jamieson will clear this up. Sir, the Minister of Forestry and Agriculture, Sir, made a statement when he introduced this bill that he wanted to plug some loopholes that had been pointed out in various reports of the Auditor General. The minister did not tell us, Sir, whether these criticisms were in this year's Auditor General's Report, last year's or the year before. The minister did not tell us what the criticisms were, Sir. I did not bring it up. The minister brought it up, Mr. Speaker. The minister brought up the Auditor General's report, not me. I would like to know what pages he is referring to, what reports the minister is referring to.

MR. MARSHALL: On a point of -

MR. SPEAKER: Order, please!

MR. NEARY: I am asking the minister a question.

MR. SPEAKER: Order, please!

MR. MARSHALL: On a point of privilege of the House.

MR. SPEAKER: The honourable Member for St. John's East.

MR. MARSHALL: Mr. Speaker, look, the honourable Member for Bell Island has - there has been a ruling made that the honourable Member is irrelevant when he is addressing himself to the Auditor General's Report in the fashion he was doing it. Now, Your Honour made the ruling and as is his wont the honourable Member for Bell Island is continuing to debate it and continuing to question it. I would suggest, Mr. Speaker,

that if the honourable member cannot confine himself to the principal of the bill, he be asked to desist and cease speaking because Your Honour can do -

MR. NEARY: Mr. Speaker, to that -

MR. MARSHALL: I am not through yet. But he continues -

MR. NEARY: You are making a fool of yourself.

MR. SPEAKER: Order, please!

MR. MARSHALL: He is continuing to flaunt the ruling of the House by when a ruling is made by the Speaker continuing on the same vein and continuing to question it. This has gone on not just this session but for every session of this Assembly, Mr. Speaker, and it is time it stopped.

MR. NEARY: Mr. Speaker, to that point of order, Sir. Your Honour knows full well that I am completely in order. I am asking the minister, Sir, to clarify a statement that he made in his introductory remarks. I can do no less, Mr. Speaker. I am asking the minister to tell us what report he referred to, what page, what year. This is perfectly in order, Sir. And old frog, he should sit in his seat and learn the rules of this House.

MR. SPEAKER: Order, please! Order, please! The Chair did say that the honourable Member for Bell Island was out of order and irrelevant in debating the Auditor General's report. The honourable Member for Bell Island in a changing of words somewhat in referring to maybe not a specific report, the Chair feels is continuing to disregard the ruling made. He is debating the Auditor General's Report. If he continues this way the Chair will have to recognize another member.

MR. NEARY: Well, Mr. Speaker, I have to -

MR. MARSHALL: Hear! Hear!

MR. NEARY: Oh! Listen to froggy. No wonder he is so hated across this Province.

MR. SPEAKER: Order, please!

MR. NEARY: Every time they see him on television with his - no, never mind. - I might insult the -

MR. SPEAKER: Order, please! The honourable Member for Bell Island should speak to the principle of the bill and leave out the personalities.

MR. NEARY: Mr. Speaker, the minister in his introductory remarks Sir, made certain statements that I fail to comprehend. The minister referred to a report by a certain gentleman who is well known in this honourable House, namely, the Auditor General. Now, Sir, I wonder if the minister would please, would he be good enough, would he be kind enough, Sir, to be a little more specific. I wonder if the minister would tell us what particular loopholes are being plugged on the recommendation of that gentleman who wrote that report which seems to be the basis for this bill, Sir, that we are not allowed to talk about. I wonder if the minister would care to tell the House whether or not the \$200,000 is outstanding from Bowaters that the minister has not been doing anything about according to a certain report presented to this House, I wonder if the minister would tell us if that is for stumpage? Is interest being charged on it? What is being done about collecting the outstanding money? Will this be covered under this bill?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Will this be covered under this bill? Will it? Sir, is that out of order? The minister for St. John's North is out of order. Apparently he got surgery that was in the wrong place.

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

MR. NEARY: Sir, he should have come up a little bit above the shoulders. I wonder, Sir, would the minister clarify these points for me. When the minister is on his feet would he be good enough, Sir, to clarify explanatory note number two, "The bill would also empower the minister to delegate authority to issue permits, to cut timber in any forest management area." Well, Sir, the minister has

that authority now on crown land. Is something new being introduced here, Sir? Is the minister now undertaking to issue permits on land, forest management areas that are under the control of the big paper companies? Is this the explanation for it? Is the minister, for instance, now going to issue permits on Bowaters land, on land that is under the control of Price Newfoundland Limited? Is this what it means?

Mr. Speaker, what recourse do I have, Sir? I can only ask the minister to clarify these questions. The minister brought up the report Sir, that I am not allowed to talk about according to the learned and the honourable and learned gentleman, aided and abetted by the Member for St. John's North who probably would like to be a learned gentleman. The only chance he ever has is -

MR. SPEAKER: Order, please!

MR. NEARY: - getting an honorary degree. He certainly never earned one. Mr. Speaker, I want to know, Sir, I want to know if the \$200,000 that is outstanding, that is owed the government by Bowaters is collectable. This is stumpage, Sir. Is there an interest, Mr. Speaker, is there an interest being charged on this amount? Is it collectable? Does the minister have any legal -

MR. SPEAKER: Order, please! The honourable Minister of Municipal Affairs and Housing.

MR. PECKFORD: On a point of order, Mr. Speaker. I thought there was a ruling just recently relating to the honourable Member for Bell Island's comments in relation to stumpage by Bowaters and that it was ruled out of order and that he is really not speaking to the principle of the bill.

MR. NEARY: No, no, no, no, no.

MR. PECKFORD: Is that true or false, Mr. Speaker.

MR. NEARY: Mr. Speaker, to that point of order, Sir. The ruling that Your Honour gave before, Sir, was that I was not permitted to discuss the Auditor General's Report. Well, I am not discussing the

Auditor General's Report, Sir. I am merely asking the minister to clarify a certain matter that I happen to know about, Sir, that the whole House probably knows about concerning money owing to the Provincial Treasury by Bowaters. I want to find out if it is covered under this bill, Sir. It is perfectly in order.

MR. SPEAKER: The honourable Member for St. John's East.

MR. MARSHALL: To that point of order, Mr. Speaker. The honourable Member for Bell Island continues to flaunt Your Honour's rulings. Now, -

MR. NEARY: Sit down! Sit down!

MR. SPEAKER: Order, please!

MR. MARSHALL: He very spitefully, he cannot take the fact that he has called to order and he has been called to order and he has been told to desist discussing the Auditor General's Report because he was discussing the Auditor General's Report and this issue of Bowaters. Your Honour has called the honourable member to order. He cannot take it and consequently he is persisting in this vein. Now, the honourable member, I would submit and it is in the interest of everybody in the House, very much in the interest in everyone in the House, he should be either told to stick to the principle of the bill and not flinch His Honour's rulings as he does over and over again. He is like a spiteful churlish little child, Mr. Speaker, who cannot take your ruling but he has got to abide by the ruling of the House that Your Honour has made.

MR. NEARY: Mr. Speaker, you know -

MR. SPEAKER: Order, please!

MR. NEARY: It is so childish.

MR. SPEAKER: Order, please! The Chair -

MR. NEARY: (Inaudible.) nervous breakdown.

MR. SPEAKER: Order, please!

MR. NEARY: (Inaudible.) blood pressure is up.

MR. SPEAKER: Order, please! The Chair has made a ruling and has

had to remind the honourable Member from Bell Island on two or three occasions that he is out of order in debating the Auditor General's Report. The Chair certainly does not want to have to ask, to recognize another member on this bill but the Chair feels it certainly will.

MR. NEARY: Thank you, Your Honour, for your ruling. Mr. Speaker, I would like for the minister to tell the House, Sir, if there are any large amounts of money outstanding at the present time. The minister obviously, Sir, must have had some very strong feelings on this matter when he introduced this bill. There must have been some great difficulties encountered by the minister in the past, Sir, in collecting any money that was owing to the Province. If so, would the minister give us some examples? For instance,

would the minister tell the House the number of cases outstanding that owe say more than \$10,000 to the Province? Would the minister care to give examples to justify his getting this bill approved by the House? Would the minister care to give the House examples of the number of cases where there is more than \$50,000 outstanding? And would the minister also tell the House how many cases he knows about where there is more than \$100,000 outstanding? And then, Sir, I could go on and on but would the minister tell the House how many cases that he knows about, that he has right at his finger tips, that he can give us right off the top of his head of the number of cases where there is \$200,000 outstanding? And if the minister knows of any cases would the minister -

MR. COLLINS: What are you talking about?

MR. NEARY: No, Sir, \$200,000 is as far as I can count at the moment.

- and if so, Sir, would the minister care to tell us if these amounts are collectable? Has the minister been forced to get the advice of his colleague, the Minister of Justice on any of these arrears, on any of these amounts that are outstanding? And would the minister also tell the House whether or not the government is collecting interest on these outstanding debts?

AN HON. MEMBER: Give him a chance.

MR. NEARY: They are not collecting any interest.

Well, Sir, generally speaking, would the minister tell the House what action -

AN HON. MEMBER: (Inaudible).

MR. NEARY: I have to put the question first, Sir. I have not been allowed to do it for the last twenty minutes. And the Minister of Justice is having a fit, and his blood pressure is out of control. And, Sir, the more they bait me and torment me and tease me -

MR. SPEAKER: Order, please!

MR. NEARY: - the longer I will speak.

MR. SPEAKER: Order, please!

MR. NEARY: I have forty-five minutes, Your Honour. I have forty-five minutes in which to debate this bill, Your Honour.

MR. SPEAKER: Order, please!

The honourable member has forty-five minutes if he is relevant to the debate.

MR. NEARY: That is right, Sir, and so far I am completely relevant.

Now, Sir, when the minister answers these questions, Sir, would the minister then also tell the House to whom he is going to delegate the authority? It says in the last part of the explanatory notes, Your Honour, the bill would also empower the minister to delegate authority to issue permits to cut timber in any forest management area. Who will this authority be delegated to? Will it be delegated to the minister's deputy minister? Will it be the assistance deputy minister? Will it be the Director of Forestry and Agriculture? Will it be the chief forester? Will it be the forest ranger? Will it be the fellows who man the observation towers for forest fires?

AN HON. MEMBER: The question is who?

MR. NEARY: Who? That is right. I want to make myself perfectly clear. Who in the minister's department will have the authority to enforce this part of the amendment and issue permits? And, Sir, then I would like for the minister to tell us who the permits - not who they will be issued to - but will they be issued solely on Crown lands or will they be issued on land now, Sir, that is under the jurisdiction of Bowaters, Price Newfoundland Limited and the other big companies? And if so, Sir, what criteria will the minister use in issuing these permits?

MR. CARTER: To a point of order, Mr. Speaker.

MR. SPEAKER: The Hon. Member for St. John's North on a point of order.

MR. CARTER: If I ever heard a filibuster this is one, and I know that the member is trying to be relevant or is attempting to be relevant or to appear to be relevant but I would ask, Your Honour, to rule on whether or not a filibuster of this nature is not utterly out of order.

MR. NEARY: Mr. Speaker, I would submit too, Your Honour, that that is not a point of order, Sir, and that I am completely relevant. As a matter of fact, I am reading from the bill. I could not be any more relevant than that.

MR. SPEAKER: Order, please!

The Hon. Member for St. John's North rose on a point of order. The Chair submits that it is not a valid point of order.

MR. NEARY: So, Mr. Speaker, I was asking the minister what criteria the minister would use or whoever he delegates the authority to, Sir, in issuing these permits? And, of course, the -

AN HON. MEMBER: You drove him out of the House.

MR. NEARY: I drove him out of the House? No, it is the Hon. Member for St. John's East and the Hon. Member for St. John's North that got the member drove out of the House and driving the Minister of Justice out of his mind. Because the more they tease me, Sir, -

MR. SPEAKER: Order, please!

MR. NEARY: - the more I am going to be relevant to this bill, Sir.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Mr. Speaker, I would like to have these matters clarified because if, Sir, the minister now is going to start issuing permits on Bowaters' land or on Price Newfoundland then this is a departure from the normal policy, and it may be a good policy, Sir. But I would like for the minister to enlighten the House and tell us if this is what this section of the bill means.

Now then, Sir, I have come to the end of my questioning. I shall look forward, Sir, with eagerness to the minister's answers and if I do not get satisfactory answers, Sir, I will delegate my colleague here, the member for St. Barbe North to stand in his place and fire a few questions at the minister. We have plenty of time, Sir. There is no rush to close the House. We can carry on until this time next week if we want to. I do not intend to go South. I am not trying to get in the Southern sunshine. I will stay here for another week if necessary, Sir, to get some of these answers.

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

MR. COLLINS: Mr. Speaker, you know, all of the debate and, well, the points of order, I suppose, were not out of order but certainly the reasons for the points of order were very well taken and, you know, the honourable was being completely and totally, what he has been saying has been irrelevant and he has been irrelevant himself. We made some reference to the Auditor General's Report as it applies to stumpage or royalty payments. The principle of this bill is to impose an interest rate, an outstanding royalty account. That does not give the honourable member the right to discuss any item at random which might appear in the Auditor General's Report. I think that has been well proven, Sir, and it is well understood. The honourable member asked some questions about the second part of the bill. The second paragraph says, "the bill would also empower the minister to delegate authority to issue permits to cut timber in any forest management area." The honourable member has been keeping in touch with what has been happening in forestry. You realize that the Province is divided into a number of forest management areas, forest management units. And all we are saying here is that rather than having John Doe or Mr. Smith whoever he might be from a remote part of the Province who would want to cut wood in any particular forest management area, he would be able to go to the chief forester in that particular unit and obtain a permit rather than having to come to St. John's or mail something to St. John's and wait for the minister to get down from the House of Assembly or get back from his district or whatever to sign the permit. It is something, Mr. Speaker, which is designed to improve the service which we provide to the people of Newfoundland. It is a very simple amendment, and I am sure the honourable member understands it but he just wants to make a mountain out of a molehill. I take pleasure in moving second reading.

On motion, a bill, "An Act Further To Amend The Crown Lands 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 To Amend The Parliamentary Commissioner(Ombudsman) Act."

MR. SPEAKER: The Hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, I have discussed this bill with honourable gentlemen opposite and this bill, may I point out to the House, has nothing to do with the - indeed I cannot refer to the resolution or the person named in it that is presently before the House. The bill is designed to simply do two things. Under the Parliamentary Commissioner (Ombudsman) Act it is provided at this time that the person responsible for the administration of the act is the Minister of Justice. Now the Parliamentary Commissioner is supposed and must be a servant of the House in the same category as the Auditor General or the Comptroller of the Treasury. And the legislation across Canada does not provide for the Parliamentary Commissioner to be responsible to any minister other than the House. And the first provision in that act is to repeal -

AN HON. MEMBER: What number?

MR. HICKMAN: That is number five.

- the provision which makes the Minister of Justice responsible and only the House and no one else can have any jurisdiction over the ombudsman. Secondly, the provision in, I am told, and I know in some acts across Canada is that again rather than have the ombudsman in a position where he has from time to time to come to the Lieutenant Governor-in-Council and ask the Lieutenant Governor-in-Council to fix his salary or indeed the House,

anyone that you tie the salary to that being paid to some judicial officer. In New Brunswick it is tied to the salary, so I am told, payable to a county court judge, which under the new act that is presently before Parliament, will be \$41,000 per year. This ties it to the salary of the chief magistrate of the Provincial Court of Newfoundland which is \$28,000.

The third thing is a purely routine one. We have changed the name of the Hospital for Mental and Nervous Diseases to the Waterford Hospital. And that last section reflects that change. I move second reading.

MR. SPEAKER: The Hon. Member for Bell Island.

MR. NEARY: Mr. Speaker, I think it has already been mutually agreed between the Government House Leader and the Leader of the Opposition that the main debate on the Ombudsman would take place under the resolution and not on this particular bill. Sir, I want that understood.

AN HON. MEMBER: Yes.

MR. NEARY: Not that it makes any difference to Your Honour, Your Honour probably could not care less. But it makes a difference to us, Sir, because we want an opportunity, Sir, to have a full-fledged, knock-him-down, drag-him-out debate on this matter of the appointment of an Ombudsman. And we hope, Sir, that on Monday the minister will call the resolution, and we can have that debate.

Our only concern, Sir, on this bill is the fact that the salary is not specified in the bill. The Commissioner shall be paid a salary comparable to the salary paid to the chief magistrate of the Provincial Court of Newfoundland, which we are told by the minister is presently in the vicinity of \$28,000.

MR. HICKMAN: It is \$28,000.

MR. NEARY: It is \$28,000. The minister obviously did his homework and checked it out before he came into the House.

Now then, Sir, for \$28,000, this Province should be able to get a very highly qualified person to fill that job. For \$28,000, Mr. Speaker, you would expect the administration to take their time

to carefully scan the Province, to look for a competent, independent, completely impartial gentleman to fill this position. Twenty-eight thousand dollars, Sir, is a lot of money. It is pretty high pay. It is one of the - I would submit, Your Honour, one of the top paid jobs in the Province. As a matter of fact, Mr. Speaker, \$28,000 a year is probably more than the Premier is getting. I do not know under the new salary set-up or not, if that is more than the Premier is getting.

AN HON. MEMBER: Inaudible.

MR. NEARY: It is pretty close. It is pretty close to the salary the Premier is - it is certainly more, Sir, than the ministers are getting. It is more pay -

MR. F. ROWE: It is comparable.

MR. NEARY: Yes, Sir, it says comparable. As my colleague pointed out, it could be more than \$28,000. That is what it is at this moment. It is certainly more than the ministers are earning at the present time. And I would submit that every minister and every member of this House is an Ombudsman in his own right. But, Sir, for \$28,000 we should be able to get a highly qualified person. We should not rush into this. We should not make any hasty decisions. We should take our time, Sir, and make sure that we get the right person to fill this job and with that kind of salary, Sir, we should be able to attract a good person. We should be able to attract, for instance, a former Commissioner of the R.C.M.P. if there is one available. We should be able to attract somebody on the staff of a university somewhere or other, preferably here in our own Province.

AN HON. MEMBER: The fellow you found asleep up there.

MR. NEARY: Not the fellow I found asleep with the beard up there, the modern day version of Rip Van Winkle.

But, Sir, my point is this that we should be able to find a person that the people of this Province will have implicit faith in, that they will have confidence in, with the full knowledge, Sir, that the gentleman who fills this job has no political battle scars, that he is a gentleman, Sir, above reproach, a gentleman that can not

be identified with one political party or the other, a man who is completely impartial.

AN HON. MEMBER: Ed Roberts.

MR. NEARY: The kind of man we want -

AN HON. MEMBER: Do not broach any arguments.

MR. NEARY: No. Well I am not going to break any agreements. The kind of man we want, Sir, is a man that the people of this Province will be able to look to with full knowledge of knowing that any time that they have a grievance with the civil servants, with the bureaucracy, with the government that they know that they will get a fair shake. Now, Sir, to get that kind of a man we have to take our time, not rush into it, look around, get the right man, because, Sir, we will only have an opportunity to do this once, and if we make a mistake in the beginning, Sir, we will ruin the image of this particular gentleman forever. So I hope, Sir, that with this salary the minister will now, once the House approves the salary, although we think it should be specified in the bill, the administration, the minister will then go out and look for a gentleman -

MR. F. ROWE: Call for applications, if necessary.

MR. NEARY: - who is - call for application if necessary - a gentleman who is highly qualified to fill this position without prejudice, without favouritism, without political appointments or any other serious repercussions, Sir, that will make it very difficult for the Ombudsman to function the way that he should in this very important position.

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

MR. HICKMAN: Mr. Speaker, the only point that the honourable gentleman for Bell Island raised for me to respond to is the question of whether or not the salary should be spelled out in the bill. I do not think it should. I do not think that any Ombudsman should be placed in a position where he knows that if he wants an increase in salary he has got to come back to the House, to sort of beseech the House to give him more money. This obviously can seriously take away his independence. We want the Ombudsman to be

totally, absolutely independent. And if he is not independent, and if he is not in a position where he knows that regardless of what decision he makes, no one can affect his salary then he is not going to be able to do the kind of job that he should. And that is why in the other provinces -

AN HON. MEMBER: Inaudible.

MR. HICKMAN: - or at least I am told in the other provinces, and in particular in New Brunswick, they tie the salary to that of some person in judicial office, so that when the judicial officer gets an increase in salary the Ombudsman gets it or a decrease. I would like to have been able to persuade the House to follow the New Brunswick pattern of tying it to the salary of a district court and/or county court judge, but obviously this is not the time and we are not that flush with money when we can tie it to a salary which, if the Judges Act goes through in Ottawa, the amendment will make it \$41,000 a year. So the salary is tied to that of the chief magistrate and is \$28,000 a year.

MR. SPEAKER: Is it the pleasure of the House that the said bill be now read a second time.

On motion a bill, "An Act To Amend The Parliamentary Commissioner (Ombudsman) Act," read a second time, ordered referred to a Committee of the whole House presently, by leave.

MR. HICKMAN: Order 28, Bill No. 38.

On motion second reading of a bill, "An Act Respecting The Counting Of War Service As Pensionable Service."

MR. SPEAKER: The honourable the Minister of Justice.

MR. HICKMAN: Mr. Speaker, I would like to speak at some length on this bill, but his Honour the Lieutenant-Governor is coming at ten minutes of six and these bills have to go through Committee. But I am very anxious, as I know all members of the House are, that this bill be passed at this time.

This is the bill which will enable us, in computing and calculating the pension payable to public servants, to take into account the time that they served in World War I or World War II or the Korean War in any of the forces that have been set forth in the bill. At the present time the law is, Mr. Speaker, that if a man, a Newfoundlander, a man or a woman were working in the civil service and then left the civil service to join up and go overseas in World War II or in the Korean War or any conflict, that when they came back their time overseas was used in calculating their pension.

But we have in the public service a large number of people who served, who were not in the public service prior to going overseas. They came out of high school and they joined up. Then when they came back they entered the public service. These people for years - I can recall when I was sitting opposite introducing a petition from a gentleman, the honourable the Member for St. Barbe North would know him, Mr. Pike, who used to be principal of the school up the hill here and he is now teaching in Mobile, he was in that category. And there were others in the same category asking that this be done. I am not faulting the previous administration for not doing it. The word that used to come back, or the advice that used to come back from the Pensions Commission was that this is too difficult, it cannot be done, we do not know how many people are going to be caught up in this. But we decided this year that it had to be done and it is going to be done as a matter of government policy.

And may I say that it is with some pride I introduce this bill and I am very conscious of the very strong support that we have received as a government in this particular measure from the Canadian Legion of Newfoundland, from all Branches. It is a humane piece of legislation but it is a piece of legislation that we do out of recognition of the services rendered to this Province and to this Country, and it was a country during World War II as opposed to a province, by men who served in World War I, World War II, the Korean War in either the Navy, the Military or Air Forces of Her Majesty or Her Majesty in the right of Canada or Her Majesty in the right of Newfoundland. This includes the Merchant Navy, the Auxilliary Forces, the Overseas Forestry Unit and the Rescue Tugs.

I may say, Mr. Speaker, that in the beginning we thought we might hold this bill over for a few weeks to see whether or not something can be done for a group of people who were in the - veterans who were in the Newfoundland Public Service, such as the Department of Customs at the time we went into Confederation, and they are now, of course, employees of the federal government. We have undertaken with these people to ask, and I do not know how many there are, to ask the Pensions Committee to see whether or not it is within the legislative power of this Assembly to pass legislation to enable their service overseas to be counted towards their pension which is now a federal pension. They are pensionable by the federal government, not by the Government of Newfoundland. But they were provincial employees at the time they went in and there is something written into the Terms of Union which apparently protects them vis-a-vis the Government of Canada and I am not certain that we have the legislative power. But rather than hold it up we will move second reading of this bill now and - I am rushing it, I just saw His Honour arrive - and I want to assure these people that we will look at it and see if it is possible to do it. I move second reading.

MR. SPEAKER: The honourable the Member for Labrador South.

MR. M.MARTIN: Mr. Speaker, I would be remiss if I did not address myself to this bill. It is one that we can all be very proud of, I think, and an idea that certainly should have been acted upon a long time ago.

There is one thing that I would bring to the minister's attention, that perhaps it could be considered and maybe changed before the bill comes in, maybe by way of an amendment. We should consider including all of the Commonwealth Forces. It is a general sort of thing that is done. There are two reasons for this. First of all the concept of Commonwealth, of course, this is one reason why we should include all Commonwealth Forces, and the other is that there are native Newfoundlanders living in other Commonwealth countries and I believe we should try to encourage reciprocal arrangements in this respect. It is a bill that we should be proud to support.

MR. SPEAKER: The honourable the Member for Bell Island.

MR. NEARY: I doubt very much, Sir, if we are going to get through this bill because I got a very important point to raise on this bill. I think the Premier is aware of it and the Minister of Justice may be aware of it. There is a great weakness in this bill, inasmuch as that you have to have ten years in the public service before you can qualify for a pension.

PREMIER MOORES: For provincial employees.

MR. NEARY: For provincial employees. In other words, your war service cannot be stacked on top of your service, civil service, service in the public service time unless you have ten years of service. And I do not think the Premier is aware of that because the Premier has written a letter recently to a gentleman who had eight years and ten months service who had to purchase the balance of his service so that he would be entitled to a pension. And the Premier, and I believe the Minister of Justice, told this gentleman in a letter that when this bill went through the House that his case

would be taken care of when in actual fact it will not, because he has only eight years and ten months service.

And this is the great weakness in the bill, Sir. The bill is good as far as it goes but it does not go far enough. In other words, a man could have say nine years and eleven months service and would not qualify for a pension, would not have his war service stacked on to it. And this is a great weakness, a great anomaly in the bill. I wonder if the minister would consider amending the bill to have this removed? Because I personally believe, Sir, that immaterial of how much time a man has in the public service that his war service should be stacked on top of it. It should be added to it for pensionable rights. Would the minister consider amending that so we could remove that ten years?

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

MR. HICKMAN: Mr. Speaker, I cannot agree to amend it now, but what I will agree to do though, because those pension bills are so complicated, is to bring to the attention of the Pensions Committee this matter raised by the honourable gentleman from Bell Island to see whether or not it can -

MR. NEARY: Can you defer it until -

MR. HICKMAN: Oh we can do it. We have to amend it on the other thing anyway in June. We can bring -

PREMIER MOORES: (Inaudible)

MR. HICKMAN: I am very anxious to get this bill law now.

I move second reading.

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

MR. HICKMAN: Committee of the Whole.

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (WELLS): Order, please!

A bill, "An Act Further To Amend The Saw Mills Act."

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

A bill, "An Act To Amend The Parliamentary Commissioner (Ombudsman) Act."

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

A bill, "An Act To Amend The Natural Products Marketing Act, 1973."

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

A bill, "An Act Further To Amend The Crown Lands Act." (No.59)
Motion, that the committee report having passed the bill without amendment, carried.

A bill, "An Act Respecting The Counting Of War Service As Pensionable Service." (No. 38)

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

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

MR. CHAIRMAN (WELLS): Mr. Speaker, the Committee of the Whole have considered the matters to them referred and report having passed the following bills without amendment, bills no. 18, 49, 59, 5 and 38. The Committee asks 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 bills no. 18, 49, 59, 5 and 38 without amendment and ask leave to sit again.

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

On motion bills read a third time presently by leave.

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

On motion a bill, "An Act To Amend The Natural Products Marketing Act, 1973," read a third time, ordered passed and title be as on the Order Paper.

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

On motion a bill, "An Act To Amend The Parliamentary Commissioner (Ombudsman)Act," read a third time, ordered passed and title be as on the Order Paper.

On motion a bill, "An Act Respecting The Counting Of War Service As Pensionable Service," read a third time, ordered passed and title be as on the Order Paper.

MR. SPEAKER: Admit His Honour, the Lieutenant-Governor.

It is my agreeable duty on behalf of Her Majesty's dutiful and loyal subjects, her faithful commons of Newfoundland to present to Your Honour a bill for the appropriation of supplementary supply granted in the present session.

A bill, "An Act For Granting To Her Majesty Certain Sums of Money For Defraying Certain Expenses Of The Public Service For The Financial Year Ending The Thirty-First Day Of March, 1976 And For Other Purposes Relating To The Public Service."

HON. GORDON A. WINTER (LIEUTENANT-GOVERNOR): In Her Majesty's name, I thank Her loyal subjects. I accept their benevolence, and I assent to this bill.

MR. SPEAKER: May it please Your Honour, the General Assembly of the Province has at its present session passed certain bills to which in the name and on behalf of the General Assembly I respectfully request Your Honour's assent.

A bill, "An Act To Provide For The Direction Of Intergovernmental Affairs In The Province."

A bill, "An Act Further To Amend The Judicature Act."

A Bill, "An Act Respecting Adult Corrections."

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

A bill, "An Act Further To Amend The Companies Act."

A Bill, "An Act Further To Amend The Insurance Companies Act."

A bill, "An Act Respecting Libraries And Boards To Operate Them."

A bill, "An Act To Remove Legal Restrictions On The Assignment By Her Majesty Of Certain Rights To The Newfoundland And Labrador Hydro-Electric Corporation."

A bill, "An Act Further To Amend The Memorial University (Pensions) Act."

A bill, "An Act Further To Amend The Education (Teacher Training) Act."

A bill, "An Act Further To Amend The Schools Act."

A bill, "An Act Further To Amend The Highway Traffic Act."

A bill, "An Act To Amend The Department of Public Works And Services Act, 1973."

A bill, "An Act Further To Amend The Welfare Of Children Act."

A bill, "An Act Further Amend The Agreement Ratified, Confirmed And Adopted By And Set Forth In The Schedule To The Leitch Gold Mines Limited (Agreement) Act, 1964, And To Make Certain Statutory Provisions Relating To That Agreement."

A bill, "An Act Further To Amend The Department of Finance Act."

A bill, "An Act Further To Amend The Summary Jurisdiction Act."

A bill, "An Act To Adopt An Anthem For The Province Of Newfoundland."

A bill, "An Act Further To Amend The Public Service (Pensions) Act."

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A bill, "An Act To Amend Certain Statutes Of The Province"

A bill, "An Act Further To Amend The Saw Mills Act."

A bill, "An Act To Amend The Parliamentary Commissioner (Ombudsman) Act."

A bill, "An Act To Amend The Natural Products Marketing Act, 1973."

A bill, "An Act Further To Amend The Crown Lands Act."

A bill, "An Act Respecting The Counting of War Service As Pensionable Service."

HON. GORDON A. WINTER (LIEUTENANT-GOVERNOR): In Her Majesty's name,

I assent to these bills.

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 tomorrow, Monday, at eleven of the clock in the forenoon and that this House do now stand adjourned.

On motion that the House at its rising do now adjourn until tomorrow, Monday, May 5, at eleven of the clock in the forenoon.

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Query as to whether the Province is considering giving municipalities jurisdiction over cable television. Mr. Neary, Premier Moores.	5844

Privilege of the House

Mr. Simmons accused Premier Moores of misleading the House concerning the Government's stand on cable television as outlined in a letter to the Canadian Radio-Television Commission.	5845
Mr. Simmons moved: that the Premier be directed to withdraw the offending words, to apologize to the House for his inadvertently incorrect statement.	5849
Spoken to by Premier Moores.	5849
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Orders of the Day

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"An Act Further To Amend The Judicature Act."	5851
"An Act Respecting Adult Corrections."	5852
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On motion a bill, "An Act Further To Amend The Saw Mill Act, " read a second time, ordered referred to a Committee of the Whole House on tomorrow.	5931
On motion second reading of a bill, "An Act To Amend The Natural Products Marketing Act, 1973."	5931
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Mr. Neary	5933
Mr. Martin	5934
Mr. Collins	5934
On motion a bill, "An Act To Amend The Natural Products Marketing Act, 1973," read a second time, ordered referred to a Committee of the Whole House presently by leave.	5935
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Orders of the Day (Continued)

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