



Province of Newfoundland

FORTIETH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND

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Volume XL

First Session

Number 45

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*VERBATIM REPORT*  
*(Hansard)*

*Speaker: Honourable Patrick McNicholas*

Wednesday

23 October 1985

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):

Order, please!

Before calling Statements by Ministers I would like to dispose of the point of order raised by the hon. member for St. John's North (Mr. J. Carter) yesterday in connection with a remark made by the hon. member for Fortune-Hermitage (Mr. Simmons). I said yesterday I would check Hansard. I did hear the hon. member making a comment but I did not grasp what it was as I was concentrating on what was being said by another hon. member.

I did check today on the transcript and there is no comment on what the hon. member said. So in view of that, naturally I cannot ask him to withdraw the comment that he did in fact make. And I do not know whether it was a derogatory comment or not.

I might add, however, and this is for the benefit of all hon. members, that no member has the right to make any derogatory comment; in fact, has no right to make a comment without being recognized by the Chair.

MR. SIMMONS:

A point of order, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fortune Hermitage, on a point of order?

MR. SIMMONS:

Yes, Mr. Speaker, a point of order.

It is a long-standing parliamentary tradition that members of the House, irrespective of what side they sit on, can expect equal protection from the

Chair. Yesterday, during the course of the exchange between the Premier and the Leader of the Opposition (Mr. Barry), I noted that the Leader of the Opposition was not getting the protection accorded the Premier, and it was in that context I made a statement. I acknowledge the statement that was made. I believe, Mr. Speaker, that I was making an observation that was true, that we need a Speaker who will give protection equally to both sides. If that observation, though true, is unparliamentary, I withdraw it without equivocation.

MR. J. CARTER:

That is equivocation! It is not true!

MR. SPEAKER (Mc Nicholas):

Order, please!

To that point of order, there is no point of order.

MR. EFFORD:

On a point of privilege, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave on a point of privilege.

MR. EFFORD:

Mr. Speaker, last evening when I went home, I had several phone calls from a number of my constituents who were in here on Monday past, people who are in a very desperate situation, people who are driven to the position of being very disturbed.

AN HON. MEMBER:

Violent.

MR. EFFORD:

Violent is not the word. People who are driven to the position of being without the necessities of

life, the necessities of just having enough food in their houses. They came into this hon. House hoping to hear some concrete rules laid down by this government that would help them in this coming Fall. Upon coming into this House they sat up in the gallery and they saw that the government was not even prepared to accept a document which the Opposition was ready to present to them. When they saw this disappointment, they then proceeded to try to talk to the Premier, upon which they found out that the Premier was not even willing to come out in the corridors and talk to them.

MR. SPEAKER (McNicholas):  
Order, please!

I would ask the hon. member if he would state his point of privilege.

MR. EFFORD:

Mr. Speaker, I will certainly do that. The point is, Mr. Speaker, that the Premier of this Province has no rules or nothing set down to help those people in their needs right now, the desperation that they are into, and what we are asking is that at least he could have the common courtesy to come out and talk to those people.

MR. SPEAKER:  
Order, please!

I am trying to help. I would like it if the hon. member would state his point of privilege and I would be more than happy to listen to it. What he has said up to now is certainly in no way dealing with any breach of his privileges.

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, the whole point of it is the effectiveness of what is happening to those people.

SOME HON. MEMBERS:

That is not a point of privilege!

MR. EFFORD:

The point is I cannot do my job as a member to help those people if when they come into this House or this building they cannot even get to see the Premier of this Province or the Minister of Fisheries (Mr. Rideout). They merely wanted an audience and they did not receive that. So what do you say to the good people out in the bay when those good people are hungry, 'Go hide away and perish'? So the whole point those people are trying to get across, Mr. Speaker, is that in the future, when they ask to see the Premier of this Province or the Minister of Fisheries (Mr. Rideout), they should be shown common courtesy.

Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (McNicholas):

To that point of privilege, the hon. the President of the Council.

MR. MARSHALL:

That is no point of privilege, Mr. Speaker. Any group of citizens in this Province that wish to see the Premier can see the Premier. The easy thing to do with respect to these matters, as in all matters, is to make an appointment and the Premier and the Minister of Fisheries (Mr. Rideout) would be quite happy in due time to see them, as they would see anyone else. Mr. Speaker, what the hon. gentleman got up on is not a point of privilege. It is really a point

of privilege in the institutions of this House and the institutions of government. No matter how aggrieved people may think they are and their cause undoubtedly is just - what happens if we get to the stage where people think that they can come in and demand to walk in to the Premier's office or come up here in the precincts of this House and ask the Constable on duty to see somebody and then brush past him and go in anyway? You cannot deal, Mr. Speaker, in a democratic institution and a society like this. I would say to the hon. gentleman that he ought to be very careful of the way in which he deals with matters lest he be inciting people to come in and to do things which our forefathers would have found absolutely disgraceful with respect to a democratic institution like the House of Assembly and the office of the Premier of this Province, a Premier who is accessible to anyone at any given time and is prepared to see them at any given time.

MR. BARRY:

To that point of privilege.

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition, to that point of privilege.

MR. BARRY:

Mr. Speaker, the great incentive to riot in this House of Assembly is the Government House Leader, his arrogance and the arrogance of the Premier in refusing to make themselves available to the needs of fishermen or other citizens of Newfoundland and Labrador.

MR. WINDSOR:

Why did they not make an appointment?

MR. BARRY:

The minister says that people should make an appointment. The fact of the matter is, Mr. Speaker, that every day I have the unemployed, I have people who cannot get hospital beds, I have fishermen who are desperately in need of assistance, who cannot get an appointment with the Premier, who, when they call the Premier's office, are sloughed off on somebody down in that office when they want to speak to the Premier of this Province. That is not good enough, Mr. Speaker.

The point that is made by the member for Port de Grave (Mr. Efford) is very true. It undermines, Mr. Speaker, respect for this House, it undermines respect for the member for Port de Grave if his constituents cannot get access to the Premier of this Province, and it undermines respect for the Premier when he refuses to meet people in need in this Province.

MR. MARSHALL:

Mr. Speaker, just further to that point of privilege.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

What undermines respect for societies and institutions is the hon. the Leader of the Opposition and the members there opposite who incite people to come in waving little red reports from the Liberal Party. Obviously, Mr. Speaker, they were incited by the hon. gentlemen there opposite and this is the way that the hon. gentlemen there opposite are attempting to conduct their Opposition and are attempting to conduct themselves as elected

members, to attempt to hide, really, in effect, the weakness of themselves and their lack of policies and their lack of any constructiveness or any constructive purpose for their own existence.

MR. SPEAKER:

I have heard enough to that point of privilege. I have heard the hon. the member for Port de Grave. I can not see that the privileges of the hon. member himself have been affected in any way at all, and there certainly is no prima facie breach of privilege.

Statements by Ministers

MR. SPEAKER (McNicholas):

The hon. the Minister of Rural, Agricultural and Northern Development.

MR. R. AYLWARD:

Thank you very much, Mr. Speaker.

I would like to inform hon. members of the Agricultural Land Consolidation Programme which has been developed by my department for the St. John's Agricultural Development area, known locally as the agriculture zone.

As members know, some years ago government approved the zone around the St. John's area in an effort to ensure that precious land would not be lost to agriculture and to provide for the continuance of viable farms in this area. Obviously, there has been some conflict with non-farming land owners who wish to have the flexibility to dispose of their property at will. Our experience has shown that the administration of the zone can be handled so as to serve the

interest of both the farmer and the non-farmer. Consequently, we have made a number of modifications to the policy which will affect land owners in the zone.

The government has reaffirmed its support for the agricultural zone - and, Mr. Speaker, probably the most important part of our Statement. We do reaffirm our support for this agricultural zone - and has authorized, amongst other things, a land consolidation programme. This programme will operate within the current fiscal year, and each year thereafter, subject to funding. The intention is to provide an opportunity for non-farming land owners and retiring farmers to sell land, which is zoned agriculture, to the Government of Newfoundland and Labrador. This will allow the government to make it available to existing commercial farmers, part-time, or new farmers, who are in need of land or additional land. This would be done on a lease-back basis similar to the regular leases for agricultural Crown land right now.

It is intended that the programme will operate on the basis of a willing seller and a willing buyer. There is provision for land appraisal and the agricultural value of the land will not be the sole basis for determining value. Should land purchased under this programme be used by government or a subsequent purchaser, for any purpose non-agricultural related within fifteen years after the implementation of the programme, the vendor to government in the first instance will be paid the balance owing for any increase in the value of such land less charges ordinarily paid upon

sale.

Mr. Speaker, this comes from this experience: While we were negotiating with some of the land owners in the area, there was a fear that government would compile this land and eventually change its use and use it for other purposes. To alleviate this fear, government has agreed that if, some time in the future, the land use does change, the present owner will get the benefit of any additional value of that land.

Government will act only as an alternative to the real estate market and, Mr. Speaker, I must emphasize that there is nothing coercive about this programme.

We will review the administration of the programme at the end of the current fiscal year to determine what changes, if any, may be necessary. Since funds are limited the review of applications will be made on a first come, first served basis. Application forms and further details of the programme may be obtained from the Soils and Lands Management Division of my department at the Agriculture Building on Brookfield Road.

Mr. Speaker, earlier I alluded to the review of the administration of the zone and I am pleased to say that we have done a complete redrafting of the regulations so as to make them more flexible and to try, if possible, to balance the needs of agriculture with those of the municipalities and those aspiring to erect family dwellings. To this end, the basic criteria is that any development in the zone will not adversely affect agriculture. The basic criteria before was that no activity will be undertaken in the

zone if it was not agricultural-related and this caused some problems in the zone.

In addition, there is an ongoing review of the actual boundaries of the zone in order to determine what areas might sensibly be deleted. This is being done in conjunction with the municipalities concerned and with other government departments which would ordinarily be affected.

Mr. Speaker, I am sure that members are aware that agriculture makes a very valuable contribution to the economy of this Province. The annual production is in the order of \$50 million a year and we are fast increasing our production of milk, eggs, chicken, pork and, to a lesser extent, vegetables. There is a viable strawberry industry and specialty vegetables are grown all over this Province. While we may never become an exporting Province, we do have a healthy agriculture industry and I urge members to make themselves fully aware of our potential in this regard and to lend whatever possible support they can to our efforts. We should be able to compete in our own markets in the supply of fresh chicken, pork, lamb and vegetables.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. KELLAND:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Naskaupi.

MR. KELLAND:

Thank you, Mr. Speaker. I still like the way you say that word, it is too bad the rules of order dose

not permit us to call it the heart of Labrador which we in Naskaupi feel it to be.

I would like to thank the minister for providing me with a copy in advance of the opening of this particular afternoon session. It is a courtesy that I appreciate, of course, as his critic. I would like to say to the minister down below there that I shadow nobody if you want to put one context or one meaning on that particular word. I am sure that members opposite cannot make the same statement.

I would also like to make the comment, Mr. Speaker, to the minister that it is a pleasure to be the critic or the shadow in another context of a gentleman such as the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward) simply because he does not allow himself to sink to the level of many of the members opposite. I appreciate that because it gives us a chance to deal both in the House and out of the House in a reasonable and meaningful manner.

On the minister's statement, because of the problems, and we have been well aware in this party of many of the problems that relate to this particular aspect that is dealt with in your statement, we are pleased and we are generally in support of steps being taken to alleviate the situation.

However, until I see some more detail on how the Land Consolidation Program has worked out and all the details are worked out, I reserve final judgement.

I have a little concern in that when land is disposed of it must

be disposed of to the government, realizing what the minister said about the differences being made payable to the original seller in the first instance, should there be some increase in land value. I am wondering if in having a policy whereby the land must be sold to government, if that would allow the original owner to achieve the true, fair market value for the land and in the event that he cannot sell it to anyone other than the government, would he be shortchanging someone in that regard? Part of the ministers statement implies that that would not occur but I would have to see a little more detail to know if that may or may not be the actual case.

I am very interested to see that there are some provisions that people have been complaining about and trying have instituted and, in that regard, as I have already said, we support the kind of steps the minister is taking, provided they are extensive enough and serving the greater need.

There is another interesting comment within his statement. In speaking of agriculture generally, he refers to the increasing industry in the production of milk, eggs, chicken, pork and so on. I suppose a general comment that would relate to that kind of a general statement is that our concern, in the Opposition, and hopefully on the government side - that is what they are paid for - would be concern for the people who are in these particular markets and that the greatest benefit in these parts of this industry would accrue to Newfoundland based, Newfoundland owned and Newfoundland operated industries in the agricultural field. There is an aspect that we

have discussed with the minister at an earlier time and we are still investigating on this side whereby there is some doubt whether or not the government is really as supportive of Newfoundland owned agricultural impressed to the extent that they imply they are. I will be in consultation with the minister about that to some further extent. That relates specifically to the Milk Marketing Board and some correspondence we had earlier.

Generally, in summation, we support the steps and are in concurrence with the steps being taken. We hope that they are extensive enough and far reaching enough to be the greatest benefit of Newfoundland producers.

SOME HON. MEMBERS:

Hear! Hear!

MR. SPEAKER (McNicholas):

The hon. the Minister of Rural, Agricultural and Northern Development.

MR. R. AYLWARD:

Mr. Speaker, with the hon. members permission, I do not want to keep going with this, but I think that the hon. gentleman misunderstood. He said that people would have to sell their land to government. This is just another step or avenue that people will have to sell their land. We are not forcing anyone, they do not have to sell it to us. If there is a farmer who wants to buy some farmland or he wants to get in operation and make his own private deal, it has nothing to do with this program. We are just having another option for retiring farmers or landowners who do not wish to farm, to sell to government if they wish to or they

can sell it to whoever else they like as long as they agree with the zone that is in place.

MR. KELLAND:

A quick response, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Naskaupi.

MR. KELLAND:

Thank you, Mr. Minister for explaining that a little further. I believe the way it reads is not quite as explicit as that and I took it in the context in which it was written, perhaps we should consult a little earlier on any future statement. I can give you some assistance if you need it.

Thank you.

Oral Questions

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I wonder if the House Leader would agree to a brief adjournment until we can get some of the ministers in here so that we can ask some questions. Two of the twelve front row ministers are here and I wonder if there is any way we can have a few of them brought in to answer some questions. Does the Government House Leader (Mr. Marshall) and the Premier intend to make a farce of the Question Period.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, there is no such thing as front row ministers, we



are all equal here. As a matter of fact, we are all equal in the caucus; the only thing is that the rules prevent asking questions of the private members. For the hon. gentleman's information and other Cabinet Ministers as well are down at Government House at the present time for the first investiture of the Bravery Awards given by the Province.

MR. BARRY:

Well, could we adjourn?

MR. MARSHALL:

At this time I think it is probably worthwhile to mention that Mr. Robert Albert Matchem of Fortune, Mr. Douglas Neil Pike of Harbour Grace, and Mr. Jeffrey Wade Warford of King's Point are the first recipients. Now all members of the House who wish to congratulate them may do so.

MR. KELLAND:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for Naskaupi.

MR. KELLAND:

I think all the Leader of the Opposition (Mr. Barry) asked was if we could adjourn, not the reason why they are not here. I think that is a valid point, Mr. Speaker.

MR. SPEAKER:

To that point of order, I understand that the hon. the Leader of the Opposition has made a query about the absence of certain ministers and -

MR. KELLAND:

The question is can we adjourn?

MR. BARRY:

Oh, oh!

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, we understand it is a very worthwhile occasion and we compliment the individuals who are receiving the first Bravery Awards.

But, Mr. Speaker, this House of Assembly has a function and it cannot operate and the Question Period cannot be efficient, without these ministers. Can we postpone the Question Period, Mr. Speaker, for a half an hour or an hour until the Premier and these ministers finish with the investiture of the Bravery Awards? That is all we ask.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, we are sitting here with a quorum in the House and there are ministers here who can answer questions. If the hon. gentleman has any particular question we will respond to it; if we cannot, we will take notice of it. The other ministers will be back tomorrow and they will be back the next day and the next day. We will be sitting until Christmas and after Christmas. There will be plenty of opportunity to ask questions. There is more than half the Cabinet here at the present time. Those who are out are out for very good reason. The Minister for Intergovernmental Affairs (Mr. Ottenheimer), for instance, the Minister of Fisheries (Mr. Rideout) are up in Ottawa on the factory freezer issue, talking

with the government caucus, a very worthy exercise. The Premier and most of the other ministers are down at the investiture of the awards. I can see no reason why we cannot go on with the business of the House.

MR. BARRY:  
Mr. Speaker.

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

MR. BARRY:  
Mr. Speaker, in the absence of the Premier, in the absence of the Minister of Public Works (Mr. Young), the Minister of Municipal Affairs (Mr. Doyle) would have some responsibility in the context of a regional plan. I would ask the Minister of Municipal Affairs whether he would tell this House whether these individuals who have been seeking to build on land within Pippy Park, in some cases where they are taken before court to have their homes demolished, are they now going to receive different consideration? Has the policy of government changed, in other words, with respect to the freeze on residential and commercial building within the Pippy Park area?

MR. SPEAKER (McNicholas):  
The hon. the Minister of Municipal Affairs.

MR. DOYLE:  
Mr. Speaker, I should point out that I just walked into the House a couple of minutes ago. I do not know if there was a previous question, but the question is if people within Pippy Park will have their land frozen?

MR. BARRY:  
The land is frozen now. You

cannot get residential and commercial permits to build there. Is this policy still in effect?

MR. DOYLE:  
Well, as far as I know, Mr. Speaker, it is, but I would have to take that particular question under advisement because I am not aware, to be quite honest about it, if that particular policy is still in effect.

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

MR. BARRY:  
Mr. Speaker, I would like to table an Order in Council which was filed July 30, 1985 and was gazetted, I think, in the Newfoundland Gazette August 2. I would like to ask the minister whether he could indicate to the House the reason for changing the area of Pippy Park and excluding a portion of land from the Pippy Park area, an area which, by the way, would now fall under the minister's responsibility.

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

MR. DOYLE:  
Mr. Speaker, I would imagine that particular request had been made originally by the Department of Public Works because of the expansion of the park or whatever. But, again, I would have to check that out because I am not aware of that particular issue.

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

MR. BARRY:  
Well, Mr. Speaker, it is just the

opposite. It is not an expansion of the park, it is a reduction of the park. We would all have thought that the trend would be towards the expanding of the park but in fact there is a reduction of the park.

I would, Mr. Speaker, like to table another document now and I would like to ask the Government House Leader (Mr. Marshall), in the absence of the Premier, if he can enlighten us with respect to this particular deed dated February 13, 1981, which has as witness the signature of a member of his law firm, whereby Fairview Investments Limited passed back a mortgage to Gloucester Development Limited of land which, at that time, was within the Pippy Park area and which that Order in Council will show has subsequently, in 1985, been excluded from the Pippy Park area. I wonder if the Government House Leader would indicate the reason why this land was excluded from the Pippy Park area, whether he is familiar with the transaction which apparently included his law firm's involvement, and whether in fact the value of that land would not have considerably increased once it was excluded from the Pippy Park area because there would not be the same restriction on building, and whether that would not constitute some conflict where the Lieutenant-Governor in Council, Cabinet, had to give approval for the exclusion of this land from the area of Pippy park?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, quite obviously we know what the hon. gentleman is

about. We know what the hon. gentleman was about yesterday and what he is about today. What he is about, quite frankly, is trying to make innuendoes and direct accusations with respect to my capacity to act as a minister in government, particularly with respect to energy matters and what have you, or as a minister of government generally. That is obviously what the hon. gentleman is doing. In response to his question I can only tell the hon. gentleman, number one, first of all that in this House or nowhere else in my private capacity am I going to answer questions with respect to clients' matters. That is number one, and you would not expect me to. And, number two, I have no direct knowledge of what the hon. gentleman said. I refer the hon. gentleman to what I said yesterday in the House - I believe I said it yesterday and I repeat it again - that if anything occurs and has occurred in Cabinet that may have involved in any way any relationships that I may have in my law practice, and they come from time to time but they are very infrequent, what I do is I would get up, I would leave the cabinet, I would absent myself completely, and nobody would even know that I had an interest one way or the other. I would not even get up in cabinet and say, 'I am leaving because I have an interest,' because that could have an influence. So, that being the case and that being the context, I cannot answer the hon. gentleman. The hon. gentleman should ask the minister responsible because I have no direct knowledge of what the hon. gentleman asks.

MR. BARRY

We would love to.

MR. MARSHALL:

We all know what the hon. gentleman is up to.

MR. BARRY:

If I could follow up with a supplementary, Mr. Speaker?

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition.

MR. BARRY:

Would the minister confirm for this House whether or not he was present when the decision was taken to exclude this land from the Pippy Park area?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

I can tell the hon. gentleman, Mr. Speaker, unequivocally and categorically, that not only was I present, but that I have not made a single approach or had discussion with any of my colleagues in any way, the Minister of Public Works (Mr. Young) or anybody with respect to same. Absolutely and completely! Now I am going to tell the hon. gentleman this: What the hon. gentleman is doing, and it is an old mug's game and it is very easy to do in politics, is to try to assail somebody's personal reputation. And there are many reasons why the hon. gentleman is doing it, it is part of his job as Leader of the Opposition as well, but it goes a little bit deeper than that, Mr. Speaker. I was asked yesterday by people, 'Why did you not hit back?' Because there are certain things I could hit back at the hon. gentleman with if I wanted to. The hon. gentleman happened to do something with a certain letter that was a disgrace really as being

representative of the people's House. The hon. gentleman is going on this refrain purely and simply, Mr. Speaker, because he is consumed with absolute and complete jealousy over the fact that he resigned because he could not negotiate a deal, and I stayed there and I have negotiated the Atlantic Accord.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

And I tell the hon. gentleman this, that I will not put myself higher than anybody else, but I will put my reputation against anybody in this House, past, present and in the future, and I will not be found lacking with respect to it.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

A supplementary, Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition.

MR. BARRY:

None of us are perfect, Mr. Speaker, and I will be delighted to have the Government House Leader (Mr. Marshall) indicate to the House the ways in which he finds that I may not meet his personal standards. However, Mr. Speaker, and I put these questions to him because of the absence of the Premier and the Government House Leader's refusal to defer matters until the Premier had an opportunity to return to the House. The minister has indicated that he was present when these decisions were taken.

MR. MARSHALL:

I did not.

MR. TULK  
You did.

MR. BARRY:  
That is what you said.

MR. MARSHALL:  
Excuse me a moment! The hon. gentleman is now putting words in my mouth. I said exactly to the contrary, that I was not present.

SOME HON. MEMBERS:  
No, you did not.

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

MR. BARRY:  
Mr. Speaker, the Minister responsible for the Petroleum Directorate, the Government House Leader (Mr. Marshall) has indicated that he makes a practice of disqualifying himself from matters which come up that would conflict with his duties as a Cabinet minister when his law firm is involved. I wonder if the minister would indicate whether these disqualifications take place in the form of written letters to the Premier, and if the minister would be prepared to table these?

MR. MARSHALL:  
Mr. Speaker.

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

MR. MARSHALL:  
Mr. Speaker, I am glad to advise the hon. gentleman, no, they do not take place in the form of written memos to the Premier. Neither do they take place, Mr. Speaker, by me getting up in the chamber, wherever it may be, and

saying, look, because I have - I do not have an interest because I act for somebody who has an interest because I would have to leave and all this type of stuff because I do think as opposed to the ill will that the hon. gentleman obviously has, many of my colleagues, I think, have a good deal of good will towards me and that itself could influence.

SOME HON. MEMBERS:  
Hear, hear!

MR. MARSHALL:  
So my practice was in 1971, and it has been ever since that I would go to the Clerk of the Council and I would say, 'Record the fact that I am out,' and I would walk out of the place. That is the way in which it operates.

Mr. Speaker, I say to the hon. gentlemen there opposite, and I repeat again that it is a well known fact, and has been for a long period of time, that I carry on a law practice and much to the hon. gentleman's chagrin, I took over his position as Minister responsible for Energy-

MR. PATTERSON:  
You did a good job of it.

MR. MARSHALL:  
- when the hon. gentleman did not have the courage to stay because he was afraid of failure. Then we negotiated an agreement and the hon. gentleman has been green with jealousy since. The hon. gentleman can dig all he wants to, Mr. Speaker, he will find no ghosts in my particular closet.

MR. BARRY:  
Mr. Speaker, a supplementary.

MR. SPEAKER (McNicholas):  
A final supplementary, the hon.

Leader of the Opposition.

MR. BARRY:

I wonder if the Government House Leader (Mr. Marshall), in light of his last statement that he does not make a practice of disqualifying himself in writing, would explain why then he ignores Conflict of Interest Guideline 14 which says, 'A minister shall notify the Premier in writing of any matter in respect of which he has disqualified himself from acting.'? I wonder if the Government House Leader would be kind enough to indicate to us whether he feels that these Conflict of Interest Guidelines do not apply to him for some reason?

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, the Conflict of Interest Guidelines apply to me and they apply to everyone. I was more instrumental than the hon. gentleman was in bringing them and bringing them before this House.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

I am just as interested as the hon. gentleman in seeing that they are enforced. I mean, the hon. the Premier and I are extremely close, and the hon. Premier knows I carry on a law practice, and the hon. Premier and I know the basis upon which I carry it on. I mean, the name of the game and the Conflict of Interest Guidelines is to assure that people act without a conflict of interest, and they act honestly and they act

uprightly, and that is what I have done and I will challenge the hon. gentleman to try to prove otherwise. As I say, the hon. gentleman is on a real slippery slope. He is consumed with jealousy, he will stop at nothing. Apart from myself, he will talk about another member's personal situation on a television programme, and what have you. The hon. gentleman is a dangerous man, Mr. Speaker, he will do anything to get power, but the fact of the matter is he will never attain power, and Newfoundlanders can be very glad of this as we can see from the conduct of the hon. gentleman there opposite for the past two days.

MR. PATTERSON:

You filled Neary's shoes, no question at all.

MR. SPEAKER (McNicholas):

Order, please!

MR. J. CARTER:

Bring back 'Don'.

MR. SPEAKER:

Order, please!

I noticed two other hon. members are getting up on a regular basis wanting to speak. Maybe I should recognize one of them and come back to the hon. Leader of the Opposition (Mr. Barry) again.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

I will call the hon. member for Gander.

MR. BAKER:

Mr. Speaker, thank you. I would like to defer to the Leader of the Opposition.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Thank you.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker.

MR. FENWICK:

Mr. Speaker, a point of privilege.

MR. SPEAKER:

A point of privilege, the hon. the member for Menihek.

MR. FENWICK:

You just said that you were going to recognize someone other than the Leader of the Opposition and then you recognized one person who yielded to him. I really insist on my right to have a chance to speak.

MR. BARRY:

Mr. Speaker, to that point of privilege.

MR. SPEAKER:

To that point of privilege, the hon. Leader of the Opposition.

MR. BARRY:

The member for Gander was recognized and deferred and I think the tradition and the practice have been that a member who wishes to may defer. I will not be that much longer and the member for Menihek or other members will get an opportunity, Mr. Speaker. I would like to ask the Government House Leader (Mr. Marshall) -

MR. FENWICK:

Excuse me, Mr. Speaker. Have you ruled on my point of privilege?

MR. SPEAKER:

I am prepared to do that now. Under the Standing Orders the Speaker has the complete discretion on who he will call. I am going to now call on the hon. the Leader of the Opposition to ask one question and then I am going to call the hon. the member for Menihek.

The hon. the Leader of the Opposition.

MR. BARRY:

Yes, Mr. Speaker. We know that the Government House Leader (Mr. Marshall) is close to the Premier and we are happy to have him confirm that he completely informs the Premier with respect to the transactions involving his law firm which might conflict with the responsibilities he has as minister. Would he be so kind as to also inform this House, Your Honour? In light of the fact particularly that we are talking about an area which it is proposed will see the cloverleaf from the Outer Ring Road come through on the Portugal Cove Road, and the land that has been exempted from Pippy Park will significantly increase in value not just from being removed from Pippy Park but also because it will be close to the cloverleaf which will basically put another major access into the city, I wonder if the Government House Leader would be prepared to support and would he agree to having the appointment of a select committee to investigate the facts which have been laid before the House today, Mr. Speaker? Will he be prepared to consent to the appointment of a select committee to look into this matter?

MR. SPEAKER:

The hon. the President of the

Council.

MR. MARSHALL:

This is the insidious way the hon. gentleman operates. Yesterday the hon. gentleman did the same thing with the Premier. At the end of the Question Period he said, "Would the Premier satisfy himself with respect to that there was no conflict of interest?". The Premier immediately said yes, and I immediately say, yes, sure, certainly. I mean, everything is completely open and above-board. The hon. gentleman wants to bill it, and he was able to bill it as the Premier looking into, investigating the Minister responsible for Energy (Mr. Marshall). Now he is asking that we have a select committee of the House to enquire into the actions. So it is established like a kangaroo court so that you have a select committee established and all of the sudden the object of the interrogation is immediately proven or soon to be guilty.

I have operated, as I say - I make no excuses to anyone - honestly, honourably and in the best traditions of parliamentary institution. Everyone knows I have carried on a law practice. None of my colleagues, not a single colleague, including the hon. gentleman when he was a colleague of mine, will be able to point to anything at all in any way that I was in there trying to influence in any way any decisions one way or the other. I am scrupulously careful of that fact and, I say, absent myself. That is the way I have dealt with it for seventeen years. It is the way I will deal with it in the future. The hon. gentleman can take heart in one thing, that this hon. gentleman intends to stay on

as Minister of Energy and finish the job of the Atlantic Accord and see the legislation brought to this House to see the institution of Hibernia, the commencement of Hibernia, the negotiation of the royalty regime, and then we will see the hon. jealous Tory get jealouser and jealouser day by day.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker. I have a slight problem with the beginning of this question because I am not quite sure who to address it to, but I think it is the President of the Council. It concerns The Leaseholds in St. John's Act. Would the minister be willing to answer questions on it?

My first question is, is the minister aware of any substantial difficulties with that Act and the enforcement of that Act in transactions carried out under it in the last little while?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

I am very glad the hon. gentleman has asked me that question because we brought that act into the House some time ago. Just by way of a little bit of background, because all members may not be fully familiar, there are lots of properties in St. John's that are on leasehold land, land leased for a period of ninety-nine years, and the houses are owned by the individuals on it. We brought in The Leaseholds in St. John's Act empowering the owners to buy the



freehold of the land, in other words, to buy the land outright, for an amount of forty times the annual ground rent. Now, as when you make any changes like that you have a certain great deal of resistance, we had problems with it. We had problems, first of all, with the fact that there were absentee landlords - and I really mean absentee landlords - all over the world, everywhere. It was reported to me in one instance that somebody down in New Zealand had a 1/36th of a 1/42nd interest in a ground lease where the total amount was \$40, so it was very difficult. So we brought in an amendment and have cured that.

There presently has occurred, under the operation of the act, situations that have caused us a great deal of concern. The last time the act was amended was at the request of the St. John's Municipal Council. The original act provided that the question of whether or not it was a residential tenancy would be determined by an arbitration board, and the City of St. John's objected to having to pay the cost of the arbitration board. We thought that was reasonable. If a private citizen wanted a right, the public should not have to pay for it. So we provided in the act that any arbitrations that occurred would have to occur at the expense of the tenant. And, to our horror, we have found that these arbitration proceeding, legal fees, etc., work out extremely high. This does not occur in every case. Many of the landlords are agreeable, so it is a very beneficial act. But I know in one instance the person adamantly refuses and takes it to arbitration. There are other cases where, because the owners are so far-flung, you cannot get a

deed, you have to have this arbitration.

But we see the cost of that operation really defeating the purpose of the act. The purpose of the act was to allow them to buy, at forty times the annual ground rent, plus a certain amount more they would have to pay in legal fees, you know, a small amount which I would say should not be any more than \$150 or \$200 at the most, but, instead, in one or two cases, because of the battle involved, it came to \$4,000 or \$5,000.

So, we are aware of that particular difficulty and, as a matter of fact, because I am a representative of that area and have an interest in it, just yesterday I wrote my colleague, the Minister of Justice (Ms Verge) with respect to a request that we make certain amendments to the act. And I can tell the hon. gentleman - I suppose it is permissible, even though the Minister of Justice has not seen it and we will have to look at it and see whether this is possible - the suggestion that I have made is instead of the determination of these questions being done by an arbitration board that they be done by the Provincial Court. Because when it is done by the Provincial Court, then that would avoid the business of the arbitration clauses. I hope that is a full and complete answer. Yes, we are aware of the difficulties. I have attempted to detail the difficulties and give the hon. gentleman a picture of what I hope the government will be able to do in the near future. The legislation will not likely be in in this particular session.

MR. TULK:

Huh!

MR. MARSHALL:

The hon. gentlemen do not want to hear that, they would rather create slander or what have you. They do not want to hear substance. In this particular session we may not be able to get the legislation in, but I am looking forward to its being brought in as early as possible in the Spring session and, in the meantime, people could address the fact that we also brought in an amendment to that act that once a letter is written, the right is locked in. The mode of exercise of that right is I would advise people to write the letter to their ground lessor and say that they want to buy the freehold. Then they have that right that cannot be detracted, and when we get the act passed, if they have any particular difficulties, we will have a cheaper way of dealing with it.

MR. FENWICK:

Just one supplementary, Mr. Speaker.

MR. SPEAKER (McNicholas):

A supplementary, the hon. the member for Menihek.

MR. FENWICK:

I appreciate the President of the Council (Mr. Marshall) taking the time to detail the explanation, because it is a very serious problem. What seems to be occurring now is that we are in a position where a number of the estates that own a lot of the freehold are now deliberately delaying the acquisition of the land by the people who have actually lived on it for maybe thirty or forty years, and they are doing that in the hope they can speculate on the advanced

value of the property in terms of development. There is, it seems, over the last several years, half-a-dozen or more cases where either they have been forced to arbitration or they have been told prior to going to arbitration, 'Look, it is going to cost you several thousand dollars; pay us \$3,000 or \$4,000 more for the ground than is actually the right under the law.' I am pleased to see that you are taking pains to eliminate that, but is it possible to accelerate the process somewhat, even if it is a case of getting it in in this session of the Legislature, because it is obvious that there are these large estates, it now seems, that are deliberately thwarting the will of this particular piece of legislation?

MR. SPEAKER (McNicholas):

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, we will certainly look at that, but you have to draft these provisions carefully because obviously they stay up overnight and weeks to try to get out from underneath the provisions of them. I would have to check the act on this, but if my memory serves me well we met this particular situation whereby, if they made the demand before the lease expired, then they would have the right to buy at forty times the annual ground rent, once it has been established that they are in a residential and not on a commercial property. So if the hon. gentleman has people questioning him on that, people could write these letters and I believe you will find, in the act or the amendment, that they are protected. Come the Spring we will be taking measures to correct

any problems as to large amounts of monies that had to be paid.

MR. SPEAKER:

The time for Oral Questions has just about expired.

Before moving on to the next item, I would like to welcome Mayor Bill Lockyer and a delegation from the Town of Lawn.

SOME HON. MEMBERS:

Hear, hear!

MR. DOYLE:

Mr. Speaker, I wonder if I could have leave of the House to revert to Statements by Ministers I was a little bit late getting this coming up from my office. I did not have time and it is in connection with the municipal elections deadline of yesterday.

MR. SPEAKER:

Does the hon. the minister have leave?

SOME HON. MEMBERS:

By leave.

MR. SPEAKER:

Leave is granted.

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MR. DOYLE:

Mr. Speaker, I am pleased to announce to the hon. House of Assembly that municipal government in the Province of Newfoundland is alive and well.

Tuesday, October 22 was Nomination Day for the 161 municipalities scheduled to hold general municipal elections on November 12, 1985.

At the close of nominations at 8

p.m. on October 22, 1,662 persons had been nominated for the 161 municipalities as compared to 1,116 people in the general municipal elections of 1981, an increase of 50 per cent.

The result of this tremendous increase in municipal nominations means that 108 municipal councils will be holding general elections on November 12, 1985. That represents 70 per cent of the total municipalities eligible for elections, as compared to 54 per cent in the 1981 election, an increase of 16 per cent.

The above statistics show that the dismal picture painted by critics, like the NDP for instance, of government policies relative to municipal programs and financing, indicating the distinct possibility of a substantial decrease in the number of people offering themselves and their services as candidates for the 1985 general municipal election, was certainly unfounded, and indicates an even greater interest in the management of local affairs at the local level.

MR. SIMMS:

'Peter' is wrong again.

MR. DOYLE:

My department undertook a publicity campaign for the promotion of municipal government in the Province, with particular emphasis on the 1985 general municipal election. The positive results of the campaign are certainly reflected in the number of nominations for municipal councillors and, it is hoped, that a similar campaign will continue in the future.

I thank the House for leave.

MR. BAKER:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Gander.

MR. BAKER:  
Thank you, Mr. Speaker. I would have thought that the Ministerial Statement would have been given in its proper place on the Order Paper and that copies would have been distributed. I thought that that courtesy would have been extended.

However, I have not had time myself to check all the figures that the minister has given. I have not had time to check and see how many of these people that are running are incumbents and so on. The minister embarked upon a publicity campaign, it is true, and I am sure that there was nobody else in his department or in the Province that could have had their face splashed throughout the Province in those ads. I am sure he is the only one who could have done that and I am sure that he only had the good of Newfoundland at heart when he did it.

I would suggest to him that there are some other courses of action as well that he could take to encourage more interest in municipal elections in this Province. First of all, he could get back to previous formulas for funding for municipal councils. It would certainly take burden off an awful lot of councillors.

I would also like to point out to him that I know some of those councillors that are running because they are mad, and I refer particularly to the councillors in Seal Cove, that the minister tried to sell a bill of goods to a few

days ago and then had to eat his words two days later when he got his little phone call from the Premier's Office. He tried to sell them one bill of goods and then tried to later on and, in doing so, he broke Cabinet solidarity.

SOME HON. MEMBERS:  
Oh, oh!

MR. SPEAKER (McNicholas):  
Order, please!

MR. BAKER:  
I would point out to the minister that in his time that he has left as Minister of Municipal Affairs (Mr. Doyle), until the Premier calls an election, that unless things change the situation is going to get a lot worse than it is now.

MR. FENWICK:  
Mr. Speaker, on a point of privilege.

MR. SPEAKER:  
A point of privilege, the hon. the member for Menihek.

MR. FENWICK:  
The privilege is that when the minister made the statement he referred to statements that I had made. I feel that is only appropriate that I get the chance to at least make a short rebuttal to that particular statement, otherwise he has made a statement that I cannot defend myself on.

MR. SIMMS:  
Do you want a copy of it?

MR. DOYLE:  
(Inaudible) point of privilege. If the hon. member wants a copy of the statement, I can give it to him.

MR. SPEAKER (McNicholas):

Order, please! A point of privilege the hon. member for Fogo.

MR. TULK:

Mr. Speaker, I sympathize with the member for Menihek if his feelings are hurt but I think we should point out, and we have to agree, that at this point, there is no point of privilege. I sympathize with him because his feelings have been hurt but that is the kind of thing he is going to have to put up with in this House.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (McNicholas):

I must rule that there is no point of privilege. The time is now four o'clock and it is Private Members Day. I will call on Motion Fifteen, in the name of the hon. member for Menihek. It is moved and seconded that this Bill, An Act To Amend The Conveyancy Act (No. 100) be now read a second time. The hon. the member for Menihek.

MR. FENWICK:

Thank you, Mr. Speaker. Before I get to the substance of it, the comment I was going to make was that quite frankly I was impressed with the efforts that Municipal Affairs has done.

MR. SPEAKER (McNicholas):

Order, please!

A point of order, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I do not want to unduly delay the presentation of the bill by the member for Menihek but I think we have a unusual situation here, because we have what some people may look upon as

a public bill rather than a private members' motion. I just want to clarify things. I think the Government House Leader (Mr. Marshall) and myself have an understanding about how we would proceed. As to whether we proceed in the same manner as we do with private members or proceed in the same manner as we would with a public bill.

If we proceed in the same manner as we would with a public bill, then we have to go through first, second, committee of the whole, and third reading. It is immaterial to us. We are agreeable to do whatever the House agrees, but it does make a difference if some people in the House would want to present an amendment, because if they are going to present an amendment on a private members motion they can do it as soon as they speak, if we go the public bill route, then they are going to have to make amendments in the committee as a whole, I think that has been the normal practice in the House. I think the Government House Leader, ourselves and I do not believe that the member for Menihek is particularly concerned. I do not want to take away from the member for Menihek's time but I think we should have an understanding as to how we are going to proceed. It can be done, of course, by consent of the House.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the President of the Council.

MR. MARSHALL:

I do not know if it means all that much to us which way we proceed, but I would assume that the

appropriate way to proceed is we are on Private Members Day, this is a motion of a private member to the effect that a Bill be read a second time and, of course, we have already indicated, if it passes, then it would go through a committee and go through a third reading. It is really immaterial to us but the only thing I can say is even though it is an amendment to a public bill, there are many private members' resolutions that are made from time to time that relate to public bills, the amendment of a bill and what have you, in the form of a resolution. I would say the most appropriate procedure is to treat it as a private members' matter, privately.

MR. TULK:

Mr. Speaker, I just want a point of clarification.

MR. SPEAKER (McNicholas):

The hon. the member for Fogo.

MR. TULK:

Does that mean that we are in agreement that if a person wants to make an amendment he can make it when he is making his speech. Not only that but are we finished with this bill at six o'clock on Wednesday afternoon? Can we put it to vote and that is it?

MR. MARSHALL:

First of all, I think the House should be easy in its rules on this. If any member wishes to put in an amendment on second reading, I do not think we would have any objections. We treat it as a private members bill. It would still be entitled to two days of hearings.

MR. TULK:

And in the end all votes are put?

MR. MARSHALL:

And at the end all votes would be put.

MR. TULK:

No problem.

MR. SPEAKER (McNicholas):

Order, please!

I am depending on the guidance of the hon. members because this matter has not cropped up before since Standing Orders were changed in 1979. If all are agreeable, the hon. member for Menihek can proceed at this time as he was doing before the hon. member for Fogo rose on a point of order. The hon. the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker.

It is really annoying to agree with the minister, and not be able to say that you agree. We did originally say that there was going to be problems getting people to run for municipalities, but the commercial campaign worked. I would like to commend the minister for having done a good job on it.

AN HON. MEMBER:

(Inaudible).

MR. FENWICK:

Did you listen to what I said?

AN HON. MEMBER:

Yes.

MR. FENWICK:

Okay, the bill.

AN HON. MEMBER:

(Inaudible).

MR. FENWICK:

This bill actually has been quite well debated in the last couple of months, which is probably about

half of what I intended by drafting up the particular piece of legislation and putting it forward.

What I would like to do today is just give a very short introduction to it and then sit down and allow other members to discuss it. Although I have an indication that there is some sort of support from the Liberal caucus, I have had at this point no indication from the government side on how they feel about the particular piece of legislation.

To do it I would like to describe two cases of individuals who lived in my district. As most of you know from June 1982 onward there was a major number of reductions in the workforce in Labrador West. When that occurred close to 1,000 men were laid off, many of them left the area, and when they left the area, the housing market basically collapsed. Houses that had a market value of \$50,000 or \$60,000 before the laid offs were only worth about \$15,000 or \$20,000 afterwards.

Unfortunately, many of the individuals had mortgages as high as \$40,000 or so on the individual houses. When, of course, it came time to turn in the keys and leave and look for work elsewhere, the mortgage companies, the banks, and the insurers of the mortgage companies then proceeded against the individuals to collect whatever was left. In many instances there were people owing \$20,000, \$30,000, as high as \$45,000 on mortgages that were on properties that they no longer owned. They were trying to re-establish themselves elsewhere.

The situation however was not even. The Mortgage Insurance

Company of Canada held the insurance on a small number of the mortgages and Canadian Mortgage and Housing Corporation or CMHC held the insurance on the others. CMHC instituted a policy of forgiving the debt, and it is something like several hundred families were let off the hook as a result. MICC, however, did not. There were up to fifty families in the district who were held responsible for this particular amount of money that was owing. It was extremely difficult for them to establish anywhere else as a result. This is what gave rise to the bill.

I think the statement yesterday by the Minister of Social Services (Mr. Brett) gives an indication that the provincial government has also been very sensitive to this particular issue. It has taken a different way to address the problem. I am quite grateful, frankly, that they did address the problem because I think it is important to eliminate that liability.

But it seems to me that it does not solve the problem for the future. My district still depends on one industry, the iron ore industry. We are still in a position where it is quite possible that there may be major layoffs in the future. I hope and I pray that it does not happen, and I think most all the members in the House agree with that. Unfortunately, it may at some time, and if it does the same kind of decrease in values may occur again, other people may be forced to move out as well and we will be in a situation like we have seen before so that we end up with more and more people with this liability to carry around with them. By the way, it is likely to

happen elsewhere too.

For example, Goose Bay, I am not suggesting that Goose Bay is the next place, but say, for example, the base and the airport was closed down there, the depression in the housing market may do exactly the same thing there. In Corner Brook, if the mill were to shut down there and, of course, we do not expect it to, and we hope it will not, but if it were, we would again be in a similar position and people would be caught in the same bind. What the bill proposes to do is to allow the person who lends the money to repossess the house, but that is the extent of the individual's claim.

Since the bill has been drafted, the government relief package has, obviously, been put in effect. As a result I am suggesting to you, and I am not sure how it would do it, I just want to throw the suggestion out now, but the suggestion is there is a possibility of amending the bill now. As you will see the bill in section (2), at the very end, says, "That this section is deemed to come into force on January 1, 1981." The reason for that, of course, is to make the bill's provisions retroactive far enough back to have relieved the obligation of these large number of people in my district who have been caught in this situation. With the government relief package of yesterday that is, quite frankly, no longer necessary for my district. There may be other individuals in the Province who would be helped by it. But I do not know of them, so I am not in a position to say that there are individuals who will be covered by it.

I would be very amenable to a suggestion that we delete the retroactive nature of it, quite frankly, a provision that I have never been particularly enthralled with anyway, as we remember in our Bill 37 debate last year. The fact is it seemed to be necessary at the time the bill was drafted, but we would be willing to accept it now.

There is one other possible amendment, and I am not sure how it would be drafted, but I do not think it affects the idea of passing the bill in principle, and that is that this bill now covers all individuals or all persons in the Province, and I think persons has a particular connotation in the sense that corporations are persons for the purposes of our legislation. I am of an open mind on that particular situation. It is not intended to protect corporations who may face this problem but, again, I have no real case for them or case against them so, I leave it up to the House to decide which way they may wish to go on this particular situation.

The objective is to protect natural persons, and if it protects others, I think there may be some wisdom in it but, again, I am in your hands in terms of how we go on that particular part of the amendment.

That is pretty well all I have to say about that particular piece of legislation except that I have laboured with it for basically all the time I have been in the legislature as a member for the Menihek district. It is now less important to have it passed in the sense that we have had relief in terms of past problems but I think it is still vital to have this kind of protection in the future.



Quite frankly, the only organization that would be seriously effected by this is the Mortgage Insurance Company of Canada, as far as I can see. CMHC has given quit claim deeds willingly to all the individuals who are in this position so it has not been a problem. The banks, the trust companies and the mortgage companies are not effected because, in fact, it is their insurance that bears the burden when there is a default on the mortgage. So really we are talking about that particular instance and that particular instance only.

Now, Mr. Speaker, in order to give more time to the other members to express their opinions on it, I will wind up my comments now and, of course, at the end of the debate on it I will make a short number of comments in answer to any other comments that have been made.

Thank you, very much.

MR. J. CARTER:  
Mr. Speaker.

MR. SPEAKER (McNicholas):  
The hon. the member for St. John's North.

MR. TULK:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Fogo.

MR. TULK:  
Mr. Speaker, the member for St. John's North (J. Carter) is purely within his rights but my friend from Port de Grave (Mr. Efford) has a few pertinent comments which he would like to make and he has an important appointment out of town so I wonder if we could yield

and then go back to the member for St. John's North?

MR. J. CARTER:  
Yes, I will yield to him.

MR. SPEAKER:  
The hon. the member for Port de Grave.

MR. EFFORD:  
Thank you, Mr. Speaker. This bill involves, as the hon. member suggested, one industry towns. This is what this thing is in support of. But there is across this Province a lot of private individuals who because of mortgages, have lost their home. They end up with a credit rating that is no good for the future. In other words if their house was taken from them through some means and they have a mortgage of \$50,000 and they end up with the bank only getting \$20,000 and they are owing \$30,000 to the bank which leaves those people in a desperate situation credit wise in the future.

Now, what we are saying is that this in no way should be carried on because it leaves people, because of some personal problems, probably through illness, through the mere state of the economy, they are put in this awkward position and at the mercy of a mortgage company, a bank, a private individual or whatever.

Also, there is an example of a fisherman just recently in my area who was about to lose his fishing boat and his house is up as collateral against that loan. It was not his fault. The reason why he is going to lose his boat is just the state of the inshore fishery at this particular time. But due to the lien that the mortgage company is allowed to

take on this gentleman, his family are going to be put out in the cold. This is a very serious problem because of the wooden structure of the boat ages and the value goes down. The value of his boat in the beginning has decreased such a substantial amount that his house now is going to be taken from him. Upon losing his house, he is also going to end up owing the mortgager a substantial amount of money afterwards. In other words, what we are saying is that the future of this gentleman's family is completely wiped out. He has no way that he can obtain any credit or any means of securing a home for his wife or his children in the future.

This is a very serious thing. People or a mortgagor or a bank can take an individual's life, just through a loan, and destroy it. It is something that is totally against human rights, totally against what chance an individual must have. At the same time we have to take into consideration if we forgive this loan and we forgive the amount of money that is owing to the bank, we are also making it easier for banks to be able to say, "Okay, we are going to be much more strict in the way in which we are going to give a mortgage to an individual." Instead of right now I think it is around 90 per cent and an individual has to come up with 10 per cent, possibly, if we do it in the way in which we are saying, the banks will say, "Okay, we are definitely going to make sure that we are going to get our money back so instead of giving 90 - 10 we are not going to give 60 - 40."

That is going to do is make it very difficult for young people

starting out to obtain a home through a mortgage. Goodness knows the problem of coming up with a small down payment is great enough under our economic conditions. If such a thing happens and they do have to come up with an amount, say, 40 per cent of the value of their home just so that the banks can be assured that they will not lose that amount of money, it would be also an equally drastic situation.

So there are pros and cons to this. It could effect very seriously business matters, in starting private businesses when it comes to the amount of money that you have to have available to you to start a business. Because, let us face it, small businesses in this Province is a great generator of jobs and the more small business that start up the more people are employed. They are self-employed and then, of course, they also have two or three people employed by them. So if that be the case and they have to come up with larger amounts of money or try to provide larger amounts of money, it is going to make it even more difficult for those people.

This is the dark side of the situation. So what we are saying is that in some way we are going to have to try to recognize the fact of the advantages of a person when he loses his home and the amount of money owing, that he will not be responsible for it, only for what the banks can obtain, that the higher interest rates will not be secured because of this problem due to the banks saying, "Okay, we are going to increase the interest rates so that we will be protected concerning the amount of money that we lent so we can receive it

back more quickly." Also it will have a drastic affect, as I said, on the fact that it will obstruct young people starting out from getting a home. So there are three things there that we must be very concerned about as far as the consumer goes.

What we are saying, in effect, is that we have to help an individual who is driven to a very difficult position due the fact that he cannot pay his loan. Also we have to protect the individuals who are starting out and protect the people who are lending them money. So there are a number of factors to be considered.

There is another way that we have to talk about. If an individual has a home and he finds out that it is possible or he thinks that he is going to lose his home he can become careless with it. For some personal or corrupt reason of his own he says to himself, "I am going to lose this home. I do not care what happens to it." So he will probably show complete neglect, probably through some destruction, which we all have seen in the past, some careless management of the property and that will decrease the value of the property for personal reasons just to say, "I am getting even with the people who are going to take the house from me or my property or whatever, my building."

So there are a lot of ways in which this bill can be an advantage to help the people. Also, there are a lot of ways that this present bill could be moved around with. It could be found out to be to their advantage to cause problems when it is unnecessary.

Mr. Speaker, we have an amendment

to the bill, to section (2) that I will come to a little later on. Certainly, I agree with the bill. Mortgage rates are causing a lot of problems for people. The principle of the bill we agree with, and the fact that people are left in debt, people are left without any credibility for the future, people are harassed in no uncertain terms for reasons beyond their control, from that point of view, we certainly agree that this bill is in order.

But we certainly cannot agree with the retroactivity of this bill. We certainly agree, from our own point of view as the Opposition, that there certain changes have to be made to protect not only the people who are put in the position of being driven to this obscure problem but also to the companies who are lending the money, or the banks or mortgage companies, so that they will not be driven to the position of damaging the consumer's ability to obtain mortgages in the future.

That is the main purpose for which I wish to speak, because the consumer who has the present problem but also there could be a point where the consumer in the future will be damaged by what somebody did in the past. This is the main thing, Mr. Speaker.

MR. TULK

Like you say, instead of getting a 10 per cent margin, it could be 50 per cent.

MR. EFFORD:

It could be driven to a sixty/forty or a fifty/fifty or a seventy/thirty-five and that would be a very damaging problem, that would down the housing starts, that would down the possibility of people being able to provide a

home for their family, that would down the whole sector and when you down the housing starts, you down the whole economy. So it could have a very serious effect right down the line and this is something, Mr. Speaker, that I feel that government, and all people concerned with this problem, should take a very serious look at this, weighing out what could be an advantage to the consumer and what could be a disadvantage.

Mr. Speaker, I would like to move an amendment of the bill, seconded by the House Leader of the Opposition (Mr. Tulk). I move an amendment to delete all the words after section 10.3 (2) of the proposed amendment and adding the words, "shall come into force on proclamation, which proclamation shall not take place until after the report of a select committee of this House confirms that this measure will not unduly impair the availability of mortgage funds or result in higher mortgage interest rates."

I think this is a very serious part of this bill, Mr. Speaker, and I think it should be taken into consideration, the serious effect that it would have on the consumer in the future. I hope that this House and the government will see that this goes into an amendment.

MR. RIDEOUT:

A point of order, Mr. Speaker.

MR. SPEAKER (Greening):

A point of order, the hon. the Minister of Fisheries.

MR. RIDEOUT:

I have been listening to what has been happening to the procedure here, and I just want to raise it

for Your Honour to consider. I think for the good of the House, that we might want to take a look at what we are doing here.

As I understand the amendment proposed by the hon. gentleman we are proposing to, assuming the House agrees to pass an amendment to an act, then we are requesting that the amendment not be proclaimed, in other words not have the force of law until a select committee of the House goes out and has hearings and reports back.

I do not pretend to be any parliamentary expert, but I am not sure if that is according to parliamentary procedure or not. It seems to me that I remember from Beausiesne that you can propose a six month hoist, things of that nature, but I do not seem to recall whether or not you can amend the piece of legislation and then send it out a select committee. I know we draft legislation, give it to a committee, have it go out and do hearings, then come back and pass the bill reflecting what the select committee may have recommended. I am not being critical. What I am asking is do we have the appropriate authority to be able to do it in reverse. I do not know and I think it is just something that Your Honour should consider.

MR. TULK:

Mr. Speaker.

MR. SPEAKER (Greening):

The hon. the member for Fogo.

MR. TULK:

Well, obviously it is something Your Honour should consider. I do not know whether the member for Baie Verte - White Bay (Mr.

Rideout) heard all of the words that were in the amendment or not, but for his information I think what it is saying is that this shall not come into force, the proclamation shall not take place until such time as the effect of this amendment has been studied by a select committee. I believe that is perfectly in order, Mr. Speaker, but certainly if you want to take a few minutes to look at that, please go ahead.

MR. SPEAKER:

The House will recess for a couple of minutes to review the amendment.

Recess

MR. SPEAKER:

Order, please!

Due to the agreement made by hon. members of this House the amendment is in order with this respective bill although some of the wording may have to be changed. So this amendment is in order on the second reading.

MR. TULK:

Could the Speaker inform us as to what words have to be changed?

MR. SPEAKER:

It is a matter of formality in some of the wording.

MR. TULK:

We can have the correct wording put in?

MR. SPEAKER:

Yes.

MR. TULK:

The essence of the amendment is the same?

MR. SPEAKER:

Yes.

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, just a few more comments in cluing up. As I said, there are certain advantages to that particular part of the bill. It is certainly going to be an advantage to the consumer in the future. It is going to protect the individual from the point of view that things will be more easily available. Loans will be more accessible in the future. Also, it will protect the credibility of individuals. From a consumers point of view this present day, with the housing problems that are conveyed on them right now, it will certainly be of a very constructive nature. Consumers in the future will be protected not only from the point of view of somebody depriving them of the necessities of life but also from the point of view that the loans will be more accessible at their start in life.

Also, where private business is concerned, it will certainly make things easier for private business concerns getting started in their business and give them a chance so that they know that if things do not turn out well that they will not lose all their possessions. It will also ensure the accessibility to monies so that they can get started.

So, from my point of view, Mr. Speaker, we will certainly support the bill and go along with the amendment, so that all consumers, present and future, will find it much more advantageous as mortgagors. Thank you.

MR. SPEAKER:

The hon. the member for St. John's North.

MR. J. CARTER:

Mr. Speaker, I think this is a bad amendment to a bad bill. I do not know how to approach it. Strictly speaking, I can only speak to the amendment but the amendment is so much a part and parcel of the main bill, which is a fairly simple bill, that I think the House will certainly forgive me if, in discussing the amendment, I allude to the main bill as well.

The point should be made that the hon. members opposite are trying to put the cart before the horse. You are not going to get mortgage money unless the lender is reasonably assured of getting his money back. Now, the ownership of a private house is a very personal matter. For instance, your property may be your own particular choice of location. The cost of your house, the money that you have got tied up in your house, may bear very little resemblance to its market value.

For instance, a house is much more saleable if it is on a serviced lot rather than on an unserviced lot. So if you choose to live outside the boundaries of a particular town which has city services, then it is much more difficult for you to get as high a price for the house as if it were properly serviced. You may have your own desire as to how you lay out your house. You may think it is a good idea to build on a slab and not have any basement at all. Yet, it is a fact that if you do not have a basement in your house the market value is considerably less and the market value can be much less than the amount you would save by just putting it on a slab.

You may decide that you would like to live up a long side road so as to get a nice view at the top of the hill. But that may influence potential buyers so that they will say, no, I do not want a house with a long driveway, look how difficult it would be for me to get back and forth in the Winter; I do not relish the prospect of having to shovel out a long driveway. So this can effect its market value.

Then there is the person who happens to buy an older house and decides to fix it up. He thinks, initially, well, a few thousand dollars and I can fix up the plumbing and the wiring, and a little bit of paint and paper and I will have it all very nice. But he finds that he has to spend many thousands of dollars to get that house right and he needs to go to the mortgage market to get that house in the kind of shape he wants. And even after spending all that money, the house that he ends up with may not be worth nearly as much as he has paid for it that, in fact, the mortgage may greatly exceed the market value of the house.

Now, the reason you can get a mortgage is because in addition to putting the structure, the house, the piece of real property up as collateral, you also put your own personal earning power up as collateral; you sign a note saying that you will repay this mortgage.

Now, it is absolutely right and proper what the government did to assist the people in Labrador. But I do not think any government worth its salt has to be driven by legislation to come to the rescue of people in such distress. Any sensible government would make an ex gratia settlement, as has

effectively been done by this government, for people who are in that particular state of affairs. I think it was Sir Edmund Hillary, the Conqueror of Everest, who was asked what sort of food he liked? He said, 'The important thing about food is that there should be some of it.' I would suggest that the important thing about mortgage money is that there should be some of it. This act, in spite of the amendment, would serve to dry up the mortgage market altogether.

Now, it is true that you can insure a mortgage and you should insure a mortgage, but unless lenders have reasonable assurance of getting their money back, then they are just not going to lend it, and that is natural. But, of course, it does not surprise me, it does not surprise any of us here, I am sure, that such a piece of legislation would be promulgated by the NDP Party, because they are not plugged into reality.

MR. BUTT:

You are right on that one.

MR. J. CARTER:

You know, a good working definition of the three parties in this House, I think, would be that the Conservatives are trying to do a job, the Liberals are a conspiracy to pillage, and the NDP are a cluster of resentments. To add further to that, I think, as far as I am concerned Liberalism is a disease of the skin, but Socialism is a disease of the soul. I have seen Socialism at work. I had a tour through Russia some years ago, and it is a very grey country, a very, very sad place. The crowds in Russia are silent. There is an absolute absence of consumer goods. The poor souls have no hope at all and

that is the kind of future the hon. gentleman would drag us down to. You see, the profit motive is what keeps us going. We do not rely upon the butcher or the baker as charity to supply us with groceries or bread and meat, we rely on their profit motive. As Adam Smith said, 'The invisible hand seems to work our economy.'

I find an extraordinary hypocrisy here. Because the NDP, while they are against profit and against the market system and against private initiative to drag everyone down to their own level, the member for Menihek (Mr. Fenwick) is no stranger to greed. He keeps going on and on about the new Election Act, how he would like to have the new Election Act in place. The Election Act that he hopes to have in place is one that would lash out the money to everyone who decided to run, particularly the candidates in his own party who do not have a prayer of collecting any money, or very little, because of their nutty schemes and their nutty ideas. Yet, that very same party chose to break practically all the provisions of the existing Election Act in the last election. I need not go into the details but it is certainly so. They obeyed very few of the provisions, only the provisions that suited them. There is a certain amount of eclecticism in the NDP Party, they obey what they like. They take what they like and they may go along with that, but anything they do not like they feel free to disobey. Any rule they do not like they decide to break. As far as they are concerned, if a person cannot pay his mortgage then his mortgage should be paid for by someone else. It does not matter that he has let his house fall to wreck and ruin, it does not matter that

he has decided to throw away his earnings on drink or something, oh, no, he cannot pay his mortgage, therefore someone else should pay it. You know, give everybody everything. It is a crazy, crazy set-up and I think the sooner this thing is disposed of and put where it belongs - anyway, I do not know if there is much more that can be said.

I think other members have some points they wish to make, so I do not want to trample on their territory. The point is quite simple, Mr. Speaker. A law like this would just dry up the mortgage market, dry up the source of money, and create far more distress than it would relieve.

Some years ago the federal government decided to try to protect the Native Peoples and it passed a law saying that Native Peoples could not be taken to court for any debts they owed - they could not be sued for debt. That seemed, at first glance, to be an act to protect the unwary, the people who are not use to our modern economy, but the end result of this particular provision was to dry up any source of credit to these Native Peoples so that the last stage was worse than the first. And I would predict that if anything even resembling this particular Act were to go into force, the misery that would be created would be unendurable and extensive and it would bring the whole housing market crashing down. And it is far more pernicious than it appears on the surface, it appears like a motherhood issue: Oh, yes, poor souls - a person who cannot afford their mortgage should be assisted and should be guaranteed that no other action can be taken against them. It sounds great in theory,

but in practice it would be an absolute disaster and I cannot think of anybody heartless enough to push this kind of legislation when they realize the implications. On that note, Mr. Speaker, I will sit down.

MR. SPEAKER (Greening):

The hon. the member for the Strait of Belle Isle.

MR. DECKER:

Mr. Speaker, I have to disagree with the member for St. John's North (Mr. J. Carter). He did not say all that one can say about this particular Bill. I am sure that we could go on and on for days. I am disappointed that the member was unable to use up all of his time, and I am beginning to wonder why he bothered to stand up at all if that is all he had to say to this hon. House. There is so much that could be said. First let us compliment my colleague who took this Bill and amended it. I could speak for my full twenty minutes in praise of my colleague who added something to this Bill and made it palatable, yet the member for St. John's North finds that there is nothing left to say.

All too often, Mr. Speaker, I have seen this happen in this hon. House when bills are coming in from the governing Party which are badly in need of being amended, badly in need of being made palatable to the people of this Province. The word I have to the people of this Province is, yes, we are trying, but we are only a small number at this time. We do not always manage to change the vast majority's mind, but we are trying and we are looking forward to the time, in the not too distant future, when some reasonable Bills will be brought before this hon. House.



Mr. Speaker, what we are talking about here is a mortgage, and in any mortgage there are two parties. First, Mr. Speaker, there is the lender, he is called the mortgager, he or it, whether we are talking about a wealthy person or whether we are talking about a corporation or a trust company, he or it is the person or the body who has the money available to lend. There can be no mortgage unless there is a lender, he is the mortgagee. I understand he is the mortgagee, or is he the mortgager?

AN HON. MEMBER:

A mortgager.

MR. DECKER:

I thought he was the mortgager.

Now, Mr. Speaker, we have a conflict here, it could lead to a disruption, a serious disruption in our party. I am saying that the person who lends the money is the mortgager and I am going to state my reputation on that that the person who lends the money is the mortgager, Mr. Speaker. The mortgager is extremely important in the event that there is a mortgage. He is just as important as the mortgagee, the borrower.

Now what we have clearly drawn in this hon. House today, Mr. Speaker, is the two opposing sides. We have on the other side the Tory, who traditionally have represented the lender, who have traditionally represented wealth. It is the tradition of Toryism, the emphasis on big business which forced Mr. Micawber in that great story of Charles Dickens to be taken and thrown into jail because he was unable to pay his debts. This was evident in the one-sided approach that the member for St. John's North (Mr. J. Carter) took

to this bill. He forgot completely that there is a borrower. All he saw was the lender, the mortgager. As far as he was concerned no matter what happens to society, no matter what happens to this Province, we must protect the fellow who has the money, come what may.

Nobody else matters, Mr. Speaker, trample everybody else to the ground, lock them up, put them in jails, put their families in jails, take all their possessions and trample them down to the ground. That has been the Tory approach to wealth for generations and who am I to try to change that Tory approach.

SOME HON. MEMBERS:

Hear, hear!

MR. DECKER:

I would not dare to try to change their minds. I would change places with them and I hope I will very soon, but I am not going to change their minds because that is not possible, that is reactionary, that is a mind set that goes back through the history of the parliamentary system in this nation and no member for the Strait of Belle Isle, no member from this side of the House can change that. It is unfortunate but it is rigid, it is engraved in stone. No matter what, protect the fellow who has the money. That is Toryism and we saw that, Mr. Speaker, we saw that today when the member for St. John's North (Mr. J. Carter) gets up and says, "No matter what, we must look after the rich guys, we must look after the wealth."

Look at their campaigns, look at their income, Mr. Speaker, look at the people who contribute to the Tory Party and you will see

exactly why they are saying that we must protect the guys who have the money. No matter what happens to civilization, no matter what happens to society, we must protect the lender.

Mr. Speaker, it is obvious that in this Province, at this time, the lender will be protected. There is no need for the member for Menihek to worry about the lender or the mortgager, he is going to be looked after because we have a government whose sacred trust is to make sure that the fellows who got money are looked after and they will be looked after.

Mr. Speaker, in any mortgage there are two people, there is the lender and there is the borrower, the lendee. The lender also has to be protected. There can be no lender without a lendee. That is a fairly straightforward sentence.

We saw, Mr. Speaker, the two lines being set. On the rigid, solid line engraved in stone on the Tory side was this statement, "We must take care of the lender."

Just as dangerous as that, Mr. Speaker, just as dangerous, is when my socialist friend gets up and says, "Forget the lender, let us go with the borrower." No matter how much I regret having to say this there was a little bit of sense in what my friend from St. John's North (J. Carter) was saying, there is a little bit of sense in it. I wonder who pushed him? There is a little bit of sense in it. Obviously, whoever pushed him did not give him enough ammunition to use up all of his time but someone who wrote his speech did not realize that he was going to speak faster and use up the minutes. I appreciate the

fact that we have to protect the lender or else the mortgage rates are going to go sky-high, that to is a fact.

But on the other side, you see the lines are cast, black and white, this is the way it is. The NDP and socialism says, let us tear down all the systems.

MR. BARRY:

They are extremists.

MR. DECKER:

Extremists. That is the word I am looking for. The extreme black and the extreme white. The extreme socialists would go farther and say, "let us tear down all our banks, let us tear down all our lending organizations, let us throw out all our trust funds." Now I am talking about the extreme socialists who somehow in this nation find their way to the NDP party, the NDP socialists, the rebels, the rebel rousers, those who would tear down society which it has taken the British Empire, the British Commonwealth, generations to establish. We have those who would turn us into a satellite of Russia. We would have this happen if we took the other extreme of socialism.

I remember the remarks that the member for St. John's North (J. Carter) made about socialism dragging us down to the depths of the other side. Now I have to clarify what he meant to say. He was not saying that everyone who is not a Tory is the depths of society. He was not saying that at all. He was referring to a small group of socialists whose influence is being felt in this nation. They are extremists. I would like to say they were a part of the people who tried to tear down Quebec a few years ago but

that would not be fair. I would not dare suggest that. But that kind of mentality, Mr. Speaker, is the mentality which would do away with our lending institutions, which would do away with a person because he can afford to lend. Mr. Speaker, if we were to go along with that mentality, we would have a complete disruption of our parliamentary system, of our democracy, as we have fought for it through the years, as we have established it, and as we find ourselves in it today. That is what will happen if we were to take this extreme nonsense, this extreme socialism that you find embodied, that you find seeps it way until it comes to rest in the NDP party.

So, Mr. Speaker, what I am trying to show you today, Sir, is there is on the one hand the black, those who have a mind set and can only be concerned with the wealthy, only can be concerned with the rich. On the other side, Mr. Speaker, we have another mind set who can only be concerned with those who would disrupt civilization as we have come to know it. What a dismal situation that would be, Mr. Speaker, if those were all the options the people on the Strait of Belle Isle had to choose from. What a dismal situation this country of ours would be in, Mr. Speaker, if there was only Tory and only NDP. What would become of our civilization?

My colleague put forward an amendment which shows the middle of the road that this party has striven to hang onto for generations because, Mr. Speaker, the role of government is to take care of both your extremes in society. The role of government is to have a concern for the lender and the role of government

is to have a concern from the lendee. Government cannot set itself into different pockets and on different sides. Government cannot be primarily concerned only with the lender, as my friend from St. John's North (Mr. J. Carter) is. Government cannot be only concerned with the lendee, as my friend from the Socialist wing is. Government must be big enough, Mr. Speaker, to look at all sides in a problem and I would suggest that my colleague, who spoke before I did, has come to a compromise here, has come to the only sensible way to get around this bill.

We are trying to help government. It is difficult, because they do not want to listen to anybody else. It goes along with the fact of this freezer trawler thing; just let me digress.

The argument that the Premier is on now is who came up with the idea first that we did not want factory freezer trawlers? I do not care who came up with it first! I know we did. It does not mean a thing! The fact of the matter is freezer trawlers are going to be a problem to our fishery. I do not care who came up with it first. The fact is we have to try to stop this disruption of the inshore fishery of Newfoundland, this destruction of Conche, this destruction of Cook's Harbour, this destruction of St. Anthony. We have to stop that. I do not care who takes credit for it.

We have opposite us today, Mr. Speaker, a group of people who have a bill before them. We have amended it, made it palatable, made it sensible, but I know that the other side will not accept our assistance because they are

anxious to take credit for doing something. If there were some way that they could pretend to the people that it was their amendment - maybe we will let it be their amendment - then we could end up with something that would be for the good of this Province.

Mr. Speaker, as I said in my introductory remarks, there is a place in this society for lenders. The old adage, 'Never a lender nor a borrower be', as much as we would like to stand by it, we cannot stand by it. Because there are people building houses in this town, there are people building houses in this Province, who are having a difficult enough time to raise the down payment for a loan to get a mortgage.

There is a place for the lender, and he has to be protected, but we cannot protect the lender at the expense of the lendee. As I said in my introductory remarks, Mr. Speaker, there is a place in our society for the lendee, the person who goes out and gets the money, and we have to make sure that he, too, is protected. And I do not think even the member for St. John's North (Mr. J. Carter) would go so far as to take the person who owes money and throw him into jail, as was done to Mr. Micawber.

I do wish the Premier were here, because I am not sure if Mr. Micawber was actually thrown in jail or not. I have asked two English scholars but nobody can tell me for sure. Maybe someone else could help me in that matter. I am not sure whether or not Mr. Micawber was thrown in jail, but I think Dickens was writing about the system whereby a man could be thrown in jail for owing money. We have to protect

the borrower and we have to protect the borrowee and, as my friend from St. John's North was saying, let us compromise. This is Liberalism. That is exactly what we are going to do. And that is exactly what we are trying to do when we put forward this amendment. We are trying to compromise, and we are trying to give this bill some substance, make it sensible, reasonable, something that can be acceptable to the masses, who unfortunately, have to borrow to build a house.

And we are making it acceptable to those who are going to loan the money and who are entitled to a reasonable return on their deposits. We have to protect both.

The way to compromise, I would submit, Mr. Speaker, is to do as my colleague suggested, as this amendment suggests, that we form a committee and sit down in a reasonable way and come up with something. Because there is a problem. There obviously is a problem. There is a problem for my extreme Socialist friend, there is a problem for my extremely wealthy friends, there is a problem for the extreme capitalist who sees nothing of any importance only dog eat dog, best man win, let the poor fellow who owes the money starve to death in some prison. There is a place for both, and the way to compromise is with the middle of the road where we are eking out our position. It is becoming clearer and clearer every day. Never have I seen it more clearly, Mr. Speaker, than I saw it in this hon. House today where on the one hand the member for St. John's North (Mr. J. Carter) gets up, "Let us look after the wealthy fellows. Let us look after the people who are

financing our elections. Let us not let them down. Let us drive the interest rate up as far as we possibly can," and on the other hand the member for Menihek (Mr. Fenwick), the extreme socialist who wants to tear down everything that my father and your father fought for for generations. The member wants to tear it all down. And there, smack dab in the middle of the road where we belong, is my friend who attempted to amend this motion and give us something which, I submit, Mr. Speaker, is sensible, reasonable, in keeping with what we as a people want if we are going to survive in this nation and if we are going to survive in this land.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, I know I cannot equal the speech of the hon. member. All I will tell him is people in the middle of the road usually get knocked down.

Mr. Speaker, what this bill would do, if enacted, it would prevent a mortgagee, a person lending money on a mortgage, from suing for any deficiency after the house has been sold pursuant to the mortgage.

Any mortgage consists of two elements. First of all it consists of a pledge of the property, which is given for security and secondly, it consists of a covenant or a promise by the

person who is borrowing to pay the amount of the mortgage and interest. What the hon. gentlemen there opposite wishes to do, or what the mover of the bill wishes to do, is to cancel the right to sue for that deficiency.

First of all, I think the bill was perhaps motivated initially - which is well taken - by the situation in Labrador City. That particular situation occurred because there was a deflation in the value of the homes in Labrador City as the result of the layoffs. People left. The homes were not worth the amount of the mortgage. You could not get the purchase price for them so that on sale they would be liable for the difference between the amount received and the amount of the mortgage.

We have dealt with that very concerning situation. The Minister for Social Services (Mr. Brett) gave a statement yesterday indicating that the government had paid money to the various financial institutions and had been able to negotiate a position whereby these people would not be sued, they would be forgiven their debt and the right to sue that was in the mortgage would be released. We did that in that particular case.

In other cases that will occur we will have to deal with it from time to time. I hope they do not occur to that extent but if they do occur, as they may well in towns that are affected by mass layoffs as happened up there, we will have to deal with them. That is the way I know we prefer to deal with it.

The next question is then, should the bill be enacted to give a

general right to preclude suing for deficiency on a mortgage? That is the question and you have to test that question, as all questions, on the net effect of it. Now, first of all, I want to say that the first thing I saw - the hon. member put out a brochure with respect to his bill which was very helpful - was the fact that the Government of Alberta had enacted a similar piece of legislation to preclude suing for a deficiency. That sort of got we worried because, as the hon. gentlemen there opposite full well know, very seldom if ever does a Tory Government ever make a mistake. Well, I am afraid in that particular case they did, and I am afraid it is realized. Just let me tell you why.

Many of the mortgages that are given in this Province today, and the mortgages themselves are a certain engine of growth to the building industry, are given because of the fact that they are insured. They are insured by a company called the Mortgage Insurance Corporation of Canada or by Canada Mortgage and Housing Corporation. But for those insurance policies that are given, the mortgages of 95 per cent, 90 per cent, even down as far as certainly 75 per cent would not be given and many of them under it.

This is an added protection, and the way it works is that if there is a default, the house is taken and sold, which nobody quibbles with, security is realized, and if there is a deficiency, the mortgage company looks to the insuring company, be it Canada Mortgage and Housing Corporation or the Mortgage Insurance Corporation of Canada, to pay that deficiency. In turn, as is a principle of any kind of insurance

law, the insuring company, Mortgage Insurance Corporation of Canada, has the right to go after the deficiency. Now, the question you have to ask is what effect would it have on the granting of mortgages in this Province as a result of enacting a Bill of this nature, cutting out the right to sue for deficiency? We feel that this would have a very serious effect upon the economy of this Province - that we are not in a position to do it, that the net result will be that the Mortgage Insurance Corporation of Canada, particularly, will refuse to insure loans and the net effect of that will be that there will be a great deal of reluctance on the part of companies to grant mortgages at all. It is a fact, particularly in the rural areas where the values of properties are not as stable as they are in the urban areas, that very often it is the personal covenant, or it is the promise to pay that the companies rely on when they give a mortgage. So we are afraid, amongst a great deal of concern, if we did this that what we would in effect do, as desirable as it may be for an individual case, would have an adverse effect on the economy and particularly on the provisions of mortgages in rural areas which are already very difficult to get. Because what you would be doing is you would be saying, in effect, that you cannot sue the mortgage owner for any deficiency.

Now, it is sort of fortuitous, and I am going to table this, the hon. gentlemen there opposite would perhaps be interested in it. It is The Calgary Herald of October 17, which deals with the Albertan Amendment and the effect of that particular amendment. It is fairly brief, so with the

permission of the House I will read it. I will certainly table it for the interest of members. It is entitled, "Foreclosures Put Firm on the Brink", and it says, "The Alberta foreclosure epidemic" - which was an epidemic in Alberta a few years ago. By way of explanation, because of the downturn in the economy the prices of houses plummeted and people were just walking away from the houses, and because in Alberta they did not have the right to sue, they did walk away. "The Alberta foreclosure epidemic pushed the Country's only private mortgage insurance company to the brink of insolvency and the firm's Chief Operating Officer warrants it will not tolerate a repeat performance. Mortgage Insurance Corporation of Canada Executive Vice-President, James Hewitt, says Alberta was responsible for insurance losses totalling \$200,000,000 in the last three years, claims which could have been cut dramatically by a minor amendment to the Provincial legislation.

"Foreclosure rates in Alberta have closely paralleled the Great Depression, when virtually all North American mortgage insurers were put out of business, Hewitt noted in an interview Wednesday. Had foreclosures continued to escalate in Alberta in 1965, the MICC, to maintain its required capitol base, would have been forced to seek a cash infusion from the financial institutions anxious to maintain a private mortgage insurer in Canada." It goes on on the other page to say, "Foreclosure claims coupled with higher insurance premiums across the Country have pushed the MICC back to more stable financial footing, he added. About thirty per cent of its residential

mortgage insurance business was standard in Alberta when the boom collapsed and twenty-five per cent of MICC portfolio has gone to foreclosure. We never thought people would walk away from their mortgage obligations, the company never envisaged deliberate default. It will not repeat, he said, we cannot allow ourselves to create thirty per cent of our business where we cannot pursue a covenant." In other words, they will not stay in Alberta if this continues. "Alberta is the only Province in Canada prohibiting lending insurance companies from seeking court orders to cover losses beyond simply reclaiming the property in the event of mortgage default. The MICC argues the legislation discriminates solely against it because it is the only mortgage insurance company alternative to CMHC..." and it goes on.

I would like to table that, Mr. Speaker, for the information of any members of the House who would care to look at it, because I think it really pinpoints the very essence of this bill and the very problem with respect to it.

The question comes in, number one, if you make a blanket statement, and I do not think it is fair to make a blanket statement, that everybody should be exempted from payments of his mortgage deficiency, in other words, everyone gets his debt wiped off. What about the instance of a person who deliberately gets into a house with a high ratio loan of 90 per cent, which happens from time to time, and allows the house to depreciate then walks away from it? The mortgage company taking over the home takes it and sells it for about 50 per cent and the reason for the depreciation is

because the homeowner or the mortgagor has allowed the property to depreciate deliberately. So I do not believe that you can make blanket statements or you should make blanket statements. The best way to deal with them is to deal with them on the basis of their individual merits. We have dealt with them on their individual merits in Labrador West. I believe there was an instance, if memory serves me correctly, on the Baie Verte Peninsula some years ago, when we did something similar down there. And we will continue to do it in the future.

MR. J. CARTER:

That is the way to do it.

MR. MARSHALL:

We do not need a select committee to look into this. I mean, the fact of the matter is if circumstances should change in the future we can always bring measures into the House to improve the laws. But I think it is crystal clear, if you look at the present situation, that to enact a measure such as this at the present time would have an extremely adverse effect upon an already fragile economy, upon an economy that has great difficulty in getting investment. The construction industry in this Province is not operating to its full capacity. But, I dare say, if we brought in a bill like that, as is evidenced by the statements with respect to the Albertian bill, it would make mortgages much more difficult to get and it would slow down the economy completely.

Now, hon. gentlemen there opposite may turn around and say, oh, there he is, he is responding to a statement made by an executive vice-president of a large company. But we have to deal with

the world as it is and not necessarily as we would like it to be. The fact of the matter is, one of the most beneficial organizations that Canada has seen in recent years has been the Mortgage Insurance Corporation of Canada. We have benefitted immensely from it here; it has resulted in high ratio loans being given, it has resulted in the industry of the Province, the housing industry and the construction industry, generally, benefitting from it. I think it is quite clear from statements made that if we did that we would lose the benefit of that insurance. That is number one.

Number two, it is not really fair to do it anyway. I mean, if somebody makes a deal, he or she signs a contract, agrees to pay off a certain amount of money, once the legal proceedings are in place to assure that the highest price possible is obtained from the security, why should not that person, other things being equal - and there may be changes like in Labrador City, and there may be certain individual situations - why should not that person have to respond to their obligations?

We would be entering into something here, Mr. Speaker, as I say, that we feel quite strongly about, which would very, very much affect and could very much adversely affect the economy of this Province and because of this, and solely because of this, that is the reason why the government will not be voting for the bill or the amendment.

SOME HON. MEMBERS:

Hear, hear!

MR. W. CARTER:

Mr. Speaker.



MR. SPEAKER (McNicholas):

The hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, those of us who know people who were in Labrador City and who had to walk away from their homes and their mortgages will find it awfully hard to vote against the bill, but certainly I would find it very easy to support the amendment put forward by my colleague for Port de Grave (Mr. Efford).

I happen to know people who were in Labrador City who had to walk away from their homes, and I know of situations where people have almost been driven insane working and living under the threat of having their meager possessions that they had started together in the City of St. John's being taken from them to satisfy the deficiency that occurred when the bank repossessed their homes. And this is all the more serious, Mr. Speaker, when you realize that a lot of the people who bought homes in Labrador City, who arranged mortgages, were never given the true facts of the situation. In fact, a large percentage of the people who had houses in Labrador City had their mortgages insured by Central Mortgage and Housing, and as you know Central Mortgage and Housing will not sue the mortgager for any deficiency that might occur. But, of course, the same thing does not prevail with respect to the Mortgage Insurance Corporation of Canada, MICC. In their case they will ensure their mortgage, if there is a shortfall, if and when the house sells, then they will hold the borrower responsible for that shortfall.

Mr. Speaker, I am inclined to think that if the mortgager is

prepared to have that loan insured as he must, if it is a high ratio loan, then surely that should suffice.

MR. J. CARTER:

Then what are we talking about?

MR. W. CARTER:

We are talking about the Mortgage Insurance Corporation of Canada who will insure a mortgage, who will charge the mortgager 3 per cent of that mortgage to insure the loan and then even, though there might be a foreclosure, then they still have the right to go after the borrower for any shortfall between what they realize for the property and what is owed by virtue of the insurance.

AN HON. MEMBER:

You are going to protect shysters.

MR. W. CARTER:

We are not protecting shysters, Mr. Speaker, we are protecting people and I know a lot of them in places like Labrador City, who, through no fault of their own, are now forced into the position of never being allowed to get back on their feet.

AN HON. MEMBER:

They were looked after.

MR. W. CARTER:

No, they were not, they were not looked after. My hon. friend obviously does not know what he is talking about. These people were not looked after. Some of them were, the large majority of them were, but those who were never made aware of the facts, were never told in the beginning that their mortgage was being insured by MICC, as opposed to CMHC, these people are now left holding the bag. Is that not the situation?

MR. FENWICK:

A couple of them have been covered by the government package.

MR. W. CARTER:

Yes, of course they will, but the situation, Mr. Speaker, is that this does happen all over the Province, not only in Labrador City. What I am saying is that if a person who borrows money is willing and able and prepared to have that mortgage insured and to pay his 3 per cent of the mortgage, to amortize that 3 per cent over the life of the mortgage on which he is paying interest during the life of the mortgage, then surely that should satisfy MICC or any other insurance corporation or company.

There is no reason why a person having insured the mortgage should then be called upon if and when the foreclosure takes place and if there is a deficiency, then to make good any deficiency. To me, Mr. Speaker, that is wrong and that is why I would find it awfully difficult not to support the bill. But again, I suppose, common sense must prevail and common sense would dictate that there is a chance that this kind of legislation could have a detrimental effect on the housing industry, it might scare off potential lenders, and that is why we are saying that we want the matter referred to a select committee of the House and then let us see what happens. Let us find out what if any effect it will have on the lending institutions in the Province.

Certainly we do not want to take action that will have the effect of drying up mortgage money. We all know that today people who build houses, buy houses, have to go to a mortgage company and raise

as high in some cases as 90 per cent or 95 per cent, high ratio loans. We do not want to get into the situation where there is no mortgage money available. It might be a case, there is a Latin phrase, I do not know the Latin but I think buyer beware.

AN HON. MEMBER:

Caveat emptor.

MR. W. CARTER:

Caveat emptor. Maybe it is a case where the mortgagee should beware and maybe be a little more selective because people are now required to pay through their nose in two instances. First of all in paying to have the mortgage insured, and then, if by some misfortune he or she is forced to sell, then the mortgage insurance corporation will then come after that person to pay up.

Mr. Speaker, there are a number of things, I suppose, we could talk about and would maybe fall within the ambit of this bill. We have cases where for example banks and lending institutions now charge not only a mortgage insurance fee but a prepayment penalty fee, for example. A person who borrows money and maybe finds himself in a position to pay off that mortgage in a period, say, shorter than the prescribed period, he or she is charged a prepayment penalty fee.

I believe that the government should monitor a lot of these transactions and maybe they should be doing more to protect the interests of people who borrow because those of us who have had occasion to go to the lending institutions to borrow money under a mortgage, it is only after doing it you realize just how much is involved. Like I said, the application fee for a mortgage,

the mortgage insurance fee, and then the threat of a prepayment penalty fee if that mortgage is paid off before the expiry date, before it matures.

You have cases where the city council, for example, which is a creature of the provincial government, seems to stay awake at night trying to devise ways and means of increasing building costs by imposing needless, useless and senseless regulations on potential builders.

So these are the things that government should be monitoring and monitoring very closely. Certainly in the case of the mortgage insurance fee, I believe, there is need for some changes and I quite happy to support the amendment. Like it was said I think the House Leader went to great length to quote remarks attributed to the Vice-President of the Mortgage Investment Company of Canada but I can tell him stories that came out of Labrador City, in fact, some of them were friends of mine, that would not make you to sympathetic to the Vice-President of the Mortgage Insurance Company of Canada. If I had to take a stand I think I would have to take a stand on their behalf because I do know people who went through hell as a result of what happened in Labrador City and what has been happening since as a result of having a deficiency in the amount that is owing the company, as opposed to the amount that was realized on the sale of their homes.

It is all very well, Mr. Speaker, for the member for St. John's North (Mr. J. Carter) and St. John's East (Mr. Marshall) to pontificate and to talk about the

free enterprise system and the rights of business and all that. Of course business people have rights and that is what motivated the Liberal Party and my colleague to introduce the amendment. We wanted to be fair to the lender and, at the same time, to hopefully bring in some legislation that would protect the borrower.

It is not enough to stand up here and to condemn this sort of thing out of hand. Very few of us probably have had the experience of having had a foreclosure or of having had to come up with money to look after a short-fall or a deficiency that occurred because of the foreclosure. But certainly, I think that those of us who know people, as I do, that have had that problem, then I find it awfully difficult to vote against it. I will be supporting the amendment because, I believe, as my colleague from White Bay North (Mr. Decker) said, it is the middle of the road approach. We are very conscious of the problem as it relates to people who lost homes and who will be losing houses in the future, but we are not unaware of the serious implications that such a bill would have on the money lending industry. But certainly if there is any way at all that some kind of action can be taken to protect borrowers and future home owners against that kind of action, then, I think, it is incumbent on us as representatives of the people to find some solution to that problem.

So, Mr. Speaker, with a great deal of enthusiasm and interest I will be supporting the amendment put to the bill by my colleague for Port de Grave (Mr. Efford).

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:

Mr. Speaker, I first of all would like to say that I do not think I can add anything brand new to this debate. However, the principle or the idea of providing protection to consumers is one, I think, that all members on both sides of this hon. House can support.

Strictly speaking, I suppose, I should be talking to the amendment but it is a little difficult perhaps just to speak to that amendment. I hope that the Chair will give me some leeway if I stray into the principle of the bill itself.

I, in my district - as a number of members have already alluded to - have had persons who have gone through the ordeal of being laid off in Labrador City and the trauma, I suppose, of having to give up their houses, to lose their investments and, on top of all of that, still have the banks and financial institutions keep after them for the balance that was owing. It was no longer, I suspect, than a month ago that I received a telephone call from one of my constituents wondering if and when government was going to take any action to protect these people.

I am very pleased, of course, now that my colleague, the Minister of Social Services (Mr. Brett) has made a statement and the issue has been resolved for these people. I am sure they are sleeping much better these nights not having to think about this tremendous problem which they were being

faced with.

I suppose there are not many more decisions more important in one's life than becoming involved in a mortgage. It is a tremendous undertaking and I am sure one which nobody wants to have to face a foreclosure on.

I have some difficulty in supporting the amendment. I do not think that the way to deal with legislation in this hon. House is to pass bills and after the fact have a select committee go around the Province gathering information and bringing it back and having to perhaps reintroduce the bill, throw it out, or make amendments and ratifications to it. If there is a need for further information pertaining to this issue I would rather see the bill delayed or postponed or given a six month hoist or what have you until the relevant information is gathered and not necessarily by a select committee of the Legislature.

Reference has already been made to the effect that this bill will have on lending institutions, the effect it will have on consumers, those who are looking to find a mortgage only to find perhaps that, number one, they may not be able to obtain a mortgage anyway if there is no protection for the lending institutions or, number two, if they are able to obtain a mortgage, the rate, not only in terms of the interest rate, but other fees and regulations and so on, would be very prohibitive of them obtaining that mortgage.

So, Mr. Speaker, as I said earlier I do not intend to and I do not think I can add much more than what already has been said. I have indicated that I will not be

supporting the amendment and maybe this whole matter should be delayed or postponed until further information might have been obtained. But certainly the theory and the principle of consumer protection, particularly in the mortgage area, is one which we all are able to support.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (McNicholas):

Is the House ready for the question?

MR. FENWICK:

Mr. Speaker, can I ask for some guidance here at this point?

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

I am not sure, in previous debates on Private Members' Motion, which I assume it still is, we would go on the amendment up to a certain point, then have a vote on it, and then have a vote on the main motion. I am not sure in this particular instance, are we doing using the same rules? Is that we are talking about?

MR. SIMMS:

(Inaudible).

MR. FENWICK:

Hold on! I think you were the Speaker. Could I ask the present Speaker.

MR. SPEAKER:

Order, please!

The hon. member asked me for direction. I understand that no other hon. member wishes to speak, so the hon. member has twenty

minutes left to close the debate.

MR. FENWICK:

If I speak now I will close the debate, is that correct?

MR. SPEAKER:

Yes, you will close debate.

MR. MARSHALL:

Then the next motion on the Order Paper will be No. 12 next week.

MR. FENWICK:

Well we might as well bring it to a head today then. I take it I will have the rest of the time that is available here, right?

MR. SPEAKER:

Until 6:00 o'clock.

MR. FENWICK:

I find it interesting because I was listening to the hon. member for St. John's North (Mr. J. Carter) talking about the great Socialist conspiracy to take over the country and so on. Of course, this legislation is the direct copy of the legislation that currently exists in Alberta. That exist in Alberta for the last forty years, has been stoutly defended by none other than the famous red radicals of Alberta, like Peter Lougheed, for example, who defended that particular piece of legislation and said that it was absolutely the backbone of protection for the people of Alberta and must be continued to be upheld and so on. Because, of course, there have been problems in Alberta on that.

But the point of the matter is when the same kind of problems that we had in Labrador West occurred, when they occurred in Alberta, the insurance company took the rap on it, it took a lot of the loss on it. That is what

insurance companies are for! That is why you pay insurance so they take the loss! Does not get through to your skulls over there? The fact is, that is the point of an insurance company. Whereas in my district, hundreds and hundreds of individuals ended up having their private credit ruined for an infinite period of time.

I just want to make a few other points too, because, quite frankly, the situation, as is pointed out in our information factum - I guess, you can call it that - on this particular bill, it could have been a lot worse. It could have been that MICC had a tremendous number of mortgages up there, instead of being the smaller mortgage insuring agency.

The fact is that for every mortgage that was insured by the Mortgage Insurance Corporation of Canada, there were about five of them insured by CMHC. What CMHC did, in the exact same situation as MICC, was give quit claim deeds to individuals who were caught in that problem. In others words, it absolved them of all the responsibility for the extra money being owed to them.

It is only MICC that insisted on going after these individuals in Labrador West. I want to tell you that they even had a pernicious way of going at it, because I have heard from the member for St. John's North (Mr. J. Carter) that this bill will encourage people to demolish their homes and to allow them to rundown with no in it whatsoever. That is totally false. The absolute reverse happened.

MICC had a list of fifty people or something in that number of people

who had lost their homes up there, and what did they do? The people who had no assets, they let off. They did not bring them to court. They did not sue them. But the ones who had saved money, had Registered Retirement Savings Plans in the bank, had income that they had accumulated over the years, in other words, the people who had really worked to get ahead, these were the ones that they sued. It was the reverse of the ones that the member for St. John's North has been saying. The absolute reverse!

I find it absolutely unimaginable to sit here and listen to the way you maligned and libelled my constituents by saying that they were sitting there allowing their houses to fall down around them.

MR. J. CARTER:

I did not.

MR. FENWICK:

You did. You did. You said that this is the kind of bill that would do that. The fact of the matter is they lost their jobs in Labrador West because a large corporation called the Iron Ore Company of Canada was allowed to knock off the thousand people from their roll.

MR. J. CARTER:

On a point of order, Mr. Speaker.

MR. SPEAKER (McNicholas):

Order, please!

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

I will not sit by and have words words put in my mouth. What I said, and Hansard I am sure will bear me out, is that this is the kind of danger that this kind of,

what I called, nutty legislation would cause. Mortgage money would dry up and the very purpose, which may be a good one that the member has in bringing this legislation forth - I am not allowed to discuss his motives, I cannot get inside his mind - he may have charitable instincts when he brings forth this legislation. But I said, and I say again, that the effect of this legislation would be the reverse, would be to work against people getting mortgages. This is what I said. That is all I said. I do not like having words put in my mouth that were not there.

MR. FENWICK:

I am afraid if I was putting words in your mouth they would not be the words that have come out at this point.

MR. SPEAKER (McNicholas):

Order, please!

To that point of order, there is a difference of opinion between two members. The hon. the member for Menihek.

MR. FENWICK:

Thank you, Mr. Speaker. It is really quite difficult to convey to you the kind of anguish that these individuals have been under and have been under continuously since the time they lost their houses and since the time they found out, by the way, that MICC was insuring their mortgage. They did not know that when they took the mortgages out because they went and borrowed the money from the Bank of Nova Scotia or the Bank of Montreal or some mortgage company and then the bank turned around and arranged for the insurance. If they arranged it with CMHC, they were let off the hook, but if they arranged it

MICC, they were not, they were directly under the gun.

It was just a random formula and some won and some lost. That is what is so inherently unfair about the whole process, nobody knew the implications of it because, quite frankly, they had never had any experience with this kind of calamity.

Another argument being put forward concerns allowing people to escape from their obligations. We are talking about an unusual situation here - \$50,000 homes that sold for that in 1979 and 1980, sled in value down to \$15,000 in the middle of 1983. People lost their jobs. They had to leave Labrador West. They had to go all over the country looking for jobs and when they got there and they started to build again and they rented a house and started getting on their feet again, a lawyer knocked on their door and said, "You owe us \$45,000 because you were unlucky enough to have a MICC mortgage, not a CMHC one!" That is totally unfair and totally unjust!

The fact is when the housing market dropped down, they lost the equity that they had on the house, the downpayment went, all the improvements went. Why should not MICC take a little bit of the punishment? It is an insuring company, it is suppose to take risks. That is the whole point of it, but it only takes the risks off the banks, it does not take the risks off the individuals.

If you Tories over there want to be helping out MICC and the banks which probably own it, I would imagine that was the tricky way they do it, and if you want to help out all the banks and all the mortgage companies, go and do it,

but I will tell you one thing: I will take the transcript of this testimony as evidence and I will send it up to my district and if any Tory ever runs up there again, he will get destroyed by it because our people know right in their hearts and souls that it was a cruel economic system that destroyed their lives and homes and you are the people who are coming in here and saying that this economic system should be allowed to continue.

SOME HON. MEMBERS:

Oh, oh!

MR. FENWICK:

I would like to go back to comments I have heard from some of the Liberals - the Liberals who are in the middle of the road. Unfortunately, I do agree with the Government House Leader (Mr. Marshall), when you are in the middle of the road you tend to get hit by cars coming both ways, and that is a tendency you have.

I make no bones about it. I am here to represent the workers in my district, the ordinary people there. I do not represent MICC, I do not represent the bank. From my point of view, the banks, MICC and corporations who have the dominant interest in our society, have their Party - it is called the PC Party. We have demonstrated evidence that that is what the Party is today, we see it over there. We see in the kinds of property saving arguments coming out of the member for St. John's North (Mr. J. Carter) and so on.

The fact is I represent those workers and I am not ashamed to represent them because they need representation! You have the power now, you have it over in

your caucus. Those corporations have the power and they control you, quite frankly, and I see nothing wrong with trying to wrestle that power from you. If in the process we smash a few Liberals - that is fine, too. It does not bother me.

The fact of the matter is that there is a terrible imbalance between that corporation and the banks and the workers who were there. This is an attempt to balance it, this will be a day in infamy if you vote down this legislation because you will have said that this large corporation is more worthy of your support than those thousands of workers who lost everything they ever had!

If that is what you want to say, if that is what you want to be put on the record for, go right ahead but I will guarantee you that one day the people of this Province will wake up to who you represent and who you are acting in the best interests of and they will say, "We do not want that kind of representation anymore."

SOME HON. MEMBERS:

Oh, oh!

MR. MARSHALL:

I wonder would the hon. gentleman permit a question. In whose interest -

SOME HON. MEMBERS:

Oh, oh!

MR. FENWICK:

No, it is not a question period, this is a speech. You may be the Government House Leader but you are not going to take my time now.

The other question that I have to ask is why.



SOME HON. MEMBERS:

Oh, oh!

AN HON. MEMBER:

All lies and doom and gloom.

MR. FENWICK:

Mr. Speaker, I would like a little order here.

AN HON. MEMBER:

Typical communist agitator.

MR. FENWICK:

Mr. Speaker. There is one argument I want to address because it is the only argument of substance that has been advanced by the Tory Party here and it is the only argument, quite frankly, that we should entertain. That question is simply if we enact this legislation as it is, will be in a position to have all the mortgage money dry up.

The question to ask yourself is, Alberta has had that legislation for forty years and has the mortgage money in Alberta dried up. The answer is no. They still mortgage houses there. The fact of the matter is Alberta has not had that problem, we would not have that problem. We would have more CMHC mortgages and we would have less MICC ones. But considering the way in which MICC has behaved, I think it is perfectly logical that we get that corporation and tell them to get lost.

Thank God that they only represented about 20 per cent of the mortgages up there or we would have an even bigger problem.

In summary, all I can say to you is this, you can vote it down, you can stomp on it, but I tell you one thing that the fact is you have shown who are in bed with.

It is the chartered banks of this company and the insurance corporation behind them. You are willing to protect their interests against the interests of the average working Newfoundlander. You will live to regret the day you have done that.

Thank you very much, Mr. Speaker. Let us go for the vote.

MR. SPEAKER (McNicholas):

Order, please! Order, please!

On motion, amendment defeated.

MR. FENWICK:

Could we record the vote?

MR. SPEAKER:

We will record the vote.

### Division

MR. SPEAKER:

Call in the members.

All those in favour of the amendment please rise:

The hon. the Leader of the Opposition (Mr. Barry); Mr. Hiscock; Mr. Flight; Mr. Tulk; Mr. Callan; the hon. Mr. Simmons; Mr. Walter Carter; Mr. Gilbert; Mr. Fenwick; Mr. Aylward; Mr. Baker; Mr. Kelland; Mr. Decker.

MR. SPEAKER:

All those against the amendment please rise:

SOME HON. MEMBERS:

Shame, shame.

The hon. the Minister of Forest, Resources and Lands (Mr. Simms); The hon. the Minister of Health (Dr. Twomey); The hon. the Minister of Consumer Affairs and

Communications (Mr. Russell); The hon. the President of the Council (Mr. Marshall); The hon. the Minister of Public Works and Services (Mr. Young); The hon. the Minister of Transportation (Mr. Dawe); The hon. the Minister of Education (Mr. Hearn); The hon. the Minister of Municipal Affairs (Mr. Doyle); The hon. the Minister of Labour (Mr. Blanchard); The hon. the Minister of Rural, Agricultural and Northern Development (Mr. K. Aylward); Mr. Baird; Mr. Greening; Mr. Patterson; Mr. Reid; Mr. J. Carter; The hon. the Minister of Environment (Mr. Butt); Mr. Peach; Mr. Hodder; Mr. Warren; Mr. Mitchell; Mr. Woodford.

MR. SPEAKER:  
Order, please!

There are twenty-one against the amendment and thirteen for the amendment. The amendment is defeated.

Now, we will have a vote on the main motion. All those in favour of the main motion, 'Aye'.

AN HON. MEMBER:  
Aye.

MR. SPEAKER:  
Those against, 'Nay'.

SOME HON. MEMBERS:  
Nay.

SOME HON. MEMBERS:  
Call for a recorded vote.

MR. FLIGHT:  
Call in the members.

MR. SPEAKER:  
A recorded vote is not requested.

MR. YOUNG:  
Yes. Yes. We stood up.

MR. MARSHALL:

The hon. gentleman wants a recorded vote, does he?

SOME HON. MEMBERS:  
Yes.

MR. MARSHALL:

Well, we are going to support him with a recorded vote.

### Division

MR. SPEAKER:

Call in the members.

All those in favour of the main motion please stand:

The hon. the member for Menihek (Mr. Fenwick).

MR. SPEAKER:

All those against the main motion please stand:

The hon. the Minister of Forest Resources and Lands; the hon. the Minister of Health (Dr. Twomey); the hon. the Minister of Consumer Affairs and Communications (Mr. Russell); the hon. the President of the Council (Mr. Marshall); the hon. the Minister of Public Works and Services (Mr. Young); the hon. the Minister of Transportation (Mr. Dawe); the hon. the Minister of Education (Mr. Hearn); the hon. the Minister of Municipal Affairs (Mr. Doyle); the hon. the Minister of Labour (Mr. Blanchard); the hon. the Minister of Rural, Agricultural and Northern Development (Mr. Aylward); Mr. Baird; Mr. Greening; Mr. Patterson; Mr. Reid; Mr. J. Carter; Mr. Tobin, the hon. the Minister of the Environment (Mr. Butt); Mr. Peach; Mr. Hodder; Mr. Warren; Mr. Mitchell; Mr. Woodford; the hon. the Leader of the Opposition (Mr. Barry); Mr.

Hiscock; Mr. Flight; Mr. Tulk; Mr. Callan; the hon. Mr. Simmons; Mr. W. Carter; Mr. Gilbert; Mr. K. Aylward; Mr. Baker; Mr. Kelland; Mr. Decker.

MR. SPEAKER:

Order, please!

On the main motion there are thirty-four against and one in favour. The motion is defeated.

It now being six o'clock the House stands adjourned until 3:00 p.m. tomorrow.