



PROVINCE OF NEWFOUNDLAND

**THIRTY-SEVENTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND**

Volume 1

1st. Session

Number 80

VERBATIM REPORT

WEDNESDAY, JUNE 9, 1976

SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

STATEMENTS BY MINISTERS:

MR. SPEAKER: The hon. Minister of Manpower and Industrial Relations.

MR. MAYNARD: Mr. Speaker, I am pleased to announce the report of the Buchans Task Force has been presented to me today. The Task Force was appointed in April, 1975, to assess the future viability of the town of Buchans and to make recommendations as to the possible alternatives which would secure the future of the town in the event that the mines closed in the next two or three years. The Task Force was made up of the following people: Mr. Bob Langdon who is Assistant Deputy Minister of Manpower with my department; Mr. John Allston, Department of Municipal Affairs; Mr. J.A. Brennan, Department of Forestry; Mr. George Neary representing ASAPCO; Mr. E. Hamilton representing the Ped Indian Lake Development Association; Mr. Hugh Wadden representing the town of Buchans; Mr. H. Fowlow representing the townsite which is the company portion of the town and Mr. A. Ivany representing the United Steel Workers of America.

In addition to the main Task Force group, a number of other people provided an input by serving on various committees to report on sectors such as mining, transportation, etc. Due to the comprehensive nature of the study, government will require a period of time to study and analyze the report in detail before decisions can be made regarding the recommendations. It is my intention to meet with the full Task Force within the next four weeks, possibly early July, to discuss the report thoroughly and hear the members' individual views on the overall contents of the report.

After government has had an opportunity to fully consider the recommendations of the Task Force, announcements will be made from time to time indicating the action which government will take regarding the recommendations. It is sincerely hoped that the report will provide the information and basis necessary to ensure the future viability of the town of Buchans.

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, I welcome, and I welcome I am sure on behalf of the Opposition, the completion of the Buchans Task Force. I wish now to thank again on behalf of my colleagues the efforts put into it, particularly by the local members of the Buchans Task Force and particularly the sub-committees. Because after the main Task Force was put together, most of the work with regards to digging up the facts and making the recommendations to the Task Force was done by local people who served on sub-committees.

Sir, I want to say now that number one, that Task Force must be made public as fast as is possible. There has been an air of secrecy around the Task Force since the day it was conceived. I can appreciate the secrecy in the sense of the sub-committees who were looking into what might or might not be done by way of setting up industry for Buchans in the event that the mine closes down. I could never recognize the secrecy that was attached to the Committee set up to study local government and the possible incorporation of Buchans. However the secrecy was there. Now as the minister knows the Minister of Municipal Affairs has indicated that he is about to incorporate the town of Buchans, set up a local improvement district and a Board of Trustees. This, he indicated, came as a result of a recommendation made by the Buchans Task Force. It no doubt was a recommendation made by the sub-committee on local government or incorporation for Buchans.

Certainly I suspect there were a lot of conditions attached to the recommendation, that Buchans would be incorporated, by that Committee. I am not aware that any of the conditions that the sub-committee required or the people of Buchans need, that any of those conditions were met. I fear very much that the incorporation of Buchans will be the only concrete thing that the Task Force will be able to say that they accomplished. I fear that the incorporation of Buchans is going to be set up in a way as to justify the existence of the Buchans Task Force and justify the expenditure of \$180,000.

Now, I know what the Task Force was set up for. It was set up to look for ways that will guarantee the viability of

MR. FLIGHT:

Buchans in the event the mine closed. Mr. Speaker, because of the tight money policy in this Province right now, because of the unavailability of funds, if the Buchans Task Force were to have recommended secondary industry or the utilization of some of the resources that surround the town of Buchans, it is a very real question a very fair question to ask as to whether or not this government will be prepared to make the funds available to develop the area or to develop the resources that are there in order to provide employment.

Mr. Speaker, this House voted \$180,000 for the Task Force.

It is my hope that the \$180,000 will be accounted for in this House, that it will be tabled as to how and where the \$180,000 went. It is my hope that the task force will be made public immediately. Certainly it should be tabled in this House immediately. Certainly I will be asking for a copy and the people of Buchans have waited for a year to find out what is in the Task Force and what effect the findings of the Buchans Task Force will have on their future. I would suggest to the minister, Sir, that it would be most unfair to the people of Buchans, the people who the task force was originally set up to serve, if they are kept in the dark any longer as to what might be their future in the town. We would hope

Mr. Flight.

that that report will indicate what the future of the town of Buchans is. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, there really is not very much that can be said by way of comment on the statement of the hon. minister. He says merely that the report has been received. He gives the names of the gentlemen who constituted the personnel of that commission, and he tells us that in a month or so, after the government have had an opportunity to study the report, they will be able to say something about it. Now it took about a year to make this report, and the hon. gentleman from the constituency containing Buchans says that it took about \$180,000 to pay the cost of it. It is, Mr. Speaker, I suppose, and I say, I suppose, that it is a discouraging fact that in recent years, fairly recent years, Bell Island has closed down and that Tilt Cove has closed down and Fort Pepperrell has closed down and Stephenville has closed down and the Whalesback operation has closed down and Goose Airport has closed down, and Argentia has closed down and now we have the imminent closing down of Buchans. It takes a stout heart in Newfoundland. And I would say that in the ranks of the government, in the cabinet, it takes a doubly stout heart to keep going and to fight this kind of adversity. All Newfoundlanders need a very stout heart not to lose heart, not to be discouraged but to be more determined than ever to keep afloat and to keep the Province afloat. We are always in such appalling danger - appalling - of being washed down the drain. Almost it would seem that nature itself conspires against us, and I do hope for the sake of Newfoundland, for the sake of the good people of Buchans, for the sake of the hon. member for Buchans, I hope for everybody's sake that this report does contain some practical, workable, feasible proposals to keep that

Mr. Smallwood.

that community of Buchans going. I just hope for everybody's sake that that is the case. In the meantime I do not envy the government's task in facing still this new close down of a good, viable, profitable, prosperous community, the community of Buchans.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, for some time I have viewed with concern the exodus of Newfoundlanders who leave the Province annually in large numbers to vacation outside. I feel it incumbent on me to acquaint this hon. House with my concern in this matter, and to advise hon. members of my intentions to initiate a programme to have Newfoundlanders vacation at home.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY : I appreciate the fact that I am preaching to the converted when I extol to hon. members the beauties of this Province, the network of provincial parks, second to none in Canada, the majestic beauty of the West Coast, and the rugged scenery of the East, the national parks at Gros Morne and Terra Nova, where scenery varies from the fiords and mountains of Gros Morne to the pastoral beauty of Terra Nova, the extraordinary sports fishing in Labrador, the finest in the world, our historic sites, the significance of which are the most important in North America, L'Anse-au-Meadows, Port au Choix, Heart's Content, to name a few. It is my intention to embark on a promotional programme immediately to persuade Newfoundlanders of the intrinsic beauty of our own Province, and its proud heritage.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: This will include the use of all media, press, radio and television. Preparation and implementation of this programme will commence immediately. Its importance is not only to acquaint Newfoundlanders with what we have to offer, but to reduce to a great extent as possible expenditures of much needed capital outside

MR. HICKEY:

the Province. I am sure that this programme will receive the approbation and support of all hon. members.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: Mr. Speaker, I can say that I am sure that the hon. member for LaPoile (Mr. Neary) agrees, because I heard him talk about it a couple of days ago.

MR. NEARY:

MR. HICKEY: Yes, and I invite all hon. members, not only to support it in the House, but in their own way as they travel throughout the Province during the next month or two or when they have an opportunity to make public statements that if they find the opportunity to include an invitation to our own people to visit various parts of the Province and to stay at home rather than visit outside areas.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Lewisporte.

MR. F. WHITE: Mr. Speaker, anything that the government does, of course, to encourage the tourist industry in this Province and to encourage Newfoundlanders to stay at home and frequent our own parks and our own tourist establishments can only be welcome by members of the Opposition. Of course, we have to be a little leary at this particular time seeing government ads on the television and listening to them on the radio being that the by-elections are being called and each of us must keep that in mind, of course. And glorified, beautifully produced government ads at this time might do well to enhance the image of the party in government. That being said though, Mr. Speaker, I do welcome this particular announcement, and I would also give the minister a bit of information. I was talking to an individual on the weekend in connection with tourism in the Province. He has a particular establishment, and he tells me that he is booked up for just about all of June. He is booked up for just about all of July, and he is booked up for most of August, most of September, most of October. And I think that in July and August

Mr. White.

together he only has something like twelve or fourteen vacancies out of an occupancy rate for those two months of about 700 or 800. But he did tell me something significant that concerned me very much, and I am glad for this opportunity to tell it to other members of the House. He told me that in other years up until now he has had hundreds of requests from the Mainland with respect to possible campsites and activities that Mainlanders could participate in should they come to the Province to spend their vacation this Summer, literally hundreds in other years, but he said this Summer he has only had five requests so far this year. He cannot believe it. He told me that in other years 25 per cent to 30 per cent of his business would be Mainland business and American business. However, this year he said that 99.9 per cent of his business is provincial business. So I was pleased to hear that so many Newfoundlanders are staying home. Perhaps the CN rates on the Gulf has something to do with it but nevertheless, as I say, we welcome it.

And also, Mr. Speaker, I would like to say that I am not pleased having spent so many years in the media and realizing the advantages of advertising and what advertising can do I am not so sure that we are doing enough as a Province to attract Mainland tourists to come here. I think we can do more along the promotional angle than we have been doing to present Newfoundland to the Mainland travellers and to the American travellers, and I hope that the minister looks at this very seriously.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. minister.

MR. MURPHY: Mr. Speaker, just for the information of the House, I would like to inform all members here and through the House, of course, to the general public that in view of the great concern expressed on rates for automobile insurance, there has been a brief submitted looking for a thirty-two per cent increase by AIA, which is the Automobile Insurance Advisory Organization. The board set up, the Newfoundland Automobile Insurance Board, set up by the government,

Mr. Murphy.

an impartial board, had arranged to receive representations to a public meeting on June 23, but in view of the fact that some groups have expressed their desire to submit briefs, that date has now been set for July 7 to enable anybody. And in view of the concern again, and there is no good getting on radio or television and telling people they are being shafted or ripped off. Let us get some facts, and present them to this board, because this board wants to consider all evidence, not hearsay, not charges, nothing else, allegations, but to consider everything, because I think it is very, very important at this particular time in view of these great increases that this board be given a chance to be provided with all the information that is available.

SOME HON. MEMBERS: Hear, hear!

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

MR. J. ROUSSEAU: Mr. Speaker, I would like to, if I may, for the information of the House; a story emanating out of Winnipeg this morning, and appearing in this morning's Daily News paper, and perhaps this afternoon's, and in other presses that I have not heard of, indicated that a Dr. Robert Middleton of this Province indicated that we would be burning, or spraying, I am sorry, next year up to 1,000 acres in the Province. Dr. Middleton was not in any way authorized to make that statement, and nobody in my department has been authorized to indicate to him that this would be done. My position has been, I thought, quite clear and unequivocal on the question of spraying in the Province. I do not know where he got the information. It is certainly not originating from government. I think our position has been quite clear, quite unequivocal, and there is no intention at this point in time to spray. I said personally, for my part, that I would have to have overwhelming evidence that such would, environmentally or from a health viewpoint cause any problems before we would ever consider it.

So that has no basis -

MR. SMALLWOOD: Is he a civil servant?

MR. ROUSSEAU: Pardon?

MR. SMALLWOOD: Is he a civil servant?

MR. ROUSSEAU: No. I do not know. He is not connected with the civil service. I think he is connected with the University, but I am not sure. But he made that statement and it was carried in the press, and it has no basis or foundation in fact.

MR. NEARY: Could the minister tell us about the shortage of eggs on the West Coast?

MR. ROUSSEAU: I do not know about the shortage of eggs on the West Coast.

PRESENTING PETITIONS

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

MR. F. WHITE: Mr. Speaker, I have a petition here today that was presented to me just a couple of days ago, signed by over 300 people of the towns of Comfort Cove and Newstead, which is in my district. It concerns a section of road going from Newstead to the Campbellton intersection where it intersects with the road to the Isles. The road is a gravel road. It was upgraded about a year ago, and a very good job done on that particular road, and it is in excellent condition at the moment, for a gravel road, although it has a large number of rocks and so on on the road now.

The people there are trying to get the road paved. They would like to get it paved and they have presented me with a petition to present in the House calling upon the government to give consideration to paving this road this Summer.

Now there are a couple of points I would like to make about this particular road. I have already made them to the minister and I want to make them again. Comfort Cove and Newstead, although they are small towns, they do contain one of the largest fish plants in my area. It is a canning industry, Notre Dame Bay Fisheries. It has a large number of trucks, and the trucks are going over the road continuously day and night, carrying fish and lobster and various other things, and it is causing quite a lot of dust in the area and also is going to cause the road to deteriorate if pavement is not put on this particular road.

Number two, there is a Decca station located in Comfort Cove, or on the Comfort Cove Road. It is one of the largest Decca stations in Newfoundland. It is operated by the Department of Transport and each day, when it is not raining, people who work for the Decca station have to go out and put chemicals on the road to keep the dust down because the equipment there is very sensitive to dust and they have to keep the dust from getting into this equipment.

MR. WHITE: Also, Mr. Speaker, there is a considerable amount of paving being done in that area this Summer. The paving plant is going to be in the area so the people there feel that while the paving plant is in the area, that this road to Comfort Cove-Newstead, will be done. I want to whole-heartedly support the petition and I hope that the minister gives some serious consideration to doing this particular piece of road. It would be to the advantage of the government to do it, and not have to bring back the plant in future years which they will have to do. To do it this year will only take a week or ten days to do it, and I hope that they give consideration to it. I want to table this petition and have it referred to the department to which it relates.

MR. SPEAKER: The hon. the member for Fortune-Hermitage.

MR. J. WINSOR: I rise to support the petition as presented by my colleague, the hon. the member for Lewisporte.

It is only a small piece of road. He says it is in good condition but it is dusty. There is heavy traffic going to the fish plant, and he is asking for pavement. And despite the admonition received from the opposite side yesterday evening, I still have to support this petition.

If they cannot pave it they can coat it with calcium chloride which will bind the gravel that is flying away now. It will keep down the dust and might save it for paving when you can get around to it. Obviously every road that has been asked for and petitioned for cannot be paved. We know this. And I guess the Minister of Transportation is going to have to pin the tail on the donkey and wherever it lands, that is the road he is going to pave with the few dollars he has left. I do strongly support this petition.

MR. SPEAKER: The hon. the Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, just a few words in support of the petition. The condition of this road was brought to my

MR. MORGAN: attention a while ago by the hon. gentleman who today brought the petition into the Assembly here.

The fact is that there is an asphalt plant in the area this year that is carrying out a contract that was awarded last Fall. Sometimes the fact that an asphalt plant is in an area, that reason is used to have additional roads paved in the same area. Whether or not we can pave the road to Comfort Cove this year has not been finally determined to date. However, I can assure the hon. House and the hon. gentleman that there is a section, a new section, a diversion in Birchy Bay on the main road, the Road to the Isles, that if that section of road is not paved this year, because presently it is not included in the contract, that three mile new section, that when we call tenders to pave that new section, that diversion, the Birchy Bay diversion, there is a strong possibility we will include the road to Comfort Cove to make it a viable contract, enough to warrant the calling of tenders.

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir.

MR. R. SIMMONS: I have another petition, if nobody else wants to speak to the one presented by my colleague from Lewisporte (Mr. White). Mr. Speaker, it is my pleasure to present a petition. I do so on behalf of my colleague from Eagle River (Mr. Strachan) who is unable to be here today. As many will know he is involved in a matter of interest to his district, in that he is on the William Carson travelling to Goose Bay on the inaugural run. And I am sure, in that respect, most of us envy him, I do certainly.

Mr. Speaker, on behalf of the member for Eagle River I would like to bring to the attention of the House a petition from ninety-two of his constituents all residents in the community of Nain. The prayer of the petition is one that will be very familiar to all of us here. Perhaps I could read parts of the petition, it will perhaps sum up better than I could the problem they face. "The community of Nain has just recently exhausted its supply of fuel oil required for the purpose of home heating and for the generation of electric

Mr. Simmons:

power. This situation has arisen due to the lack of sufficient oil storage facilities, for an adequate amount of fuel oil required by the community. The Community Council of Nain along with other groups has repeatedly, over the past several years, advised government of the necessity of providing bulk storage tanks for the sole purpose of avoiding such critical fuel shortages as are now being experienced causing serious disruption of medical and educational services, and will undoubtedly cause 75 per cent of the homes in the community of Nain to be entirely without heat until at least mid-July when water navigation is again possible, since these homes must rely upon fuel oil for this purpose. "

You might note, Mr. Speaker, that when the petitioners say that 75 per cent of the homes will be without heat, we ought to keep in mind that we are not talking about St. John's or indeed any part of the Island, we are talking about the Northernmost community in the Province. We are talking about a community that is well up on the Northern Labrador Coast, and one should not assume from the somewhat balmy temperatures we are enjoying here that Nain is getting the same kind of temperatures. In particular, the night temperatures in Nain would be quite low, and would certainly require some heating and the prospect of having 75 per cent, three-quarters of the homes without heat for the next month and a-half cannot be a very comforting prospect, particularly to the people who live in those homes in Nain.

Petitioners conclude, Mr. Speaker, as follows: "We the undersigned residents of the Community of Nain hereby petition and implore the Provincial Government of Newfoundland and Labrador to install a sufficient amount of bulk fuel oil storage tanks in this community to finally solve this unacceptable situation."

MR. SIMMONS:

On behalf of the member for Eagle River (Mr. Strachan), Mr. Speaker, just let me endorse what the petitioners, the ninety-two petitioners have stated so well. It is a completely unsatisfactory situation. We are not talking here, Mr. Speaker, about inconvenience as such. We are talking about a basic necessity keeping in mind the geography and the climate involved. We are talking about a pretty basic necessity.

The petition lays particular emphasis on the necessity insofar as home heating is concerned. Let us not forget that the school situation has been affected there this Spring, through the lack of fuel, and could conceivably be again in the future if we have a situation repeat itself similar to the one they are having in Nain right now, indeed through the fuel shortage. Not only is the heat factor involved here but also the generation of electricity. I do not believe, Mr. Speaker, that one need elaborate for any length of time on the need. I believe we all recognize the need and I believe the government and the acting minister under whose department it comes is quite aware of the need.

Perhaps the minister would be good enough at this time to indicate to us what the government might plan to do on this particular subject. In any event, Mr. Speaker, it is my pleasure to table the petition and request that it be referred to the appropriate department.

MR. SPEAKER: The hon. member for Naskaupi.

MR. GONDIE: Mr. Speaker, just a few words in support of the petition presented by the hon. member on behalf of the member for Eagle River (Mr. Strachan). Obviously this is a concern of mine as well since it is a problem which has existed in Labrador for a number of years. I might add that at the combined council meetings in Hopedale, which were held in May of this year, which I attended as did the member for Eagle River (Mr. Strachan), this resolution or a resolution to the effect that bulk storage facilities should be provided to coastal communities was passed by the councils again as it has been in the past number of

MR. GOUDIE:

years. It, in my opinion, will be the answer or part of the answer to some of the problems which exist in coastal communities at this point in time.

I feel it would be an obvious solution to government spending, the subsidy which is offered each year to these communities to fly in or not to the communities but at least to have fuel flown in to these communities and it would obviously be a great benefit to all of the coastal communities affected by the lack of bulk storage facilities. With the method used at the moment, distributing fuel in forty-five gallon drums, it is expensive to the consumer and there are all sorts of factors involved. It gives me pleasure to support the prayer of the petition.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I support the prayer of the petition for no other reason, Sir, than it was through my initiative, when I was Minister of Social Services and Rehabilitation, that the bulk storage tanks that are presently in Nain were put there as a result of initiative taken by me when I was minister of that department.

Now, Sir, when I first went down to Nain and saw the gasoline barrels and the diesel fuel barrels and the heating stove oil in forty-five gallon drums lined up on the long wharf in Nain, and not only in Nain but in all the other communities in Northern Labrador, where coastal boats were tying up, tourists were going ashore, passengers were going ashore, that I suspected at any moment that a lighted cigarette or a match or anything at all could start off a great conflagration. I entered into negotiations with Golden Eagle - because members of the House will remember that Golden Eagle has a contract to supply heating fuel and gasoline and other kinds of fuel to this government. They had a twenty year contract I believe - I entered into negotiations with Golden Eagle to establish bulk storage tanks in all the Northern Labrador, and Southern Labrador for that matter, Northern Labrador and Southern Labrador communities. They absolutely

MR. NEAPY:

refused. They refused point blank.

So then I wrote Imperial Oil and I asked Imperial Oil if they would be interested in establishing bulk storage tanks in Northern Labrador. They apparently took me up on the offer, even though I received a threatening letter from Golden Eagle's lawyer, legal counsel, telling me that there was an agreement and that if we broke the agreement we would be taken into court. I thought in this day and age using forty-five gallon drums, Sir, was back in the horse and buggy days. And I could not care less if Golden Eagle took us into court, I was going to approve the establishment of bulk storage tanks at Nain and at the other communities where they have been established.

As a result of that Mr. Mel Woodward, the Imperial Oil representative, bought a boat called The Tanya Woodward, I think. She is the tanker that goes around refilling these tanks. But unfortunately, Mr. Speaker, the company underestimated the usage in these communities. The usage has gone up substantially over the last two or three or four years, especially since the bulk storage tanks have been installed. Now I think what needs to be done - and I do not believe it is the responsibility of the government, I think it is the responsibility of the company - they need to expand the storage facilities in these communities, not only in these communities, Mr. Speaker, but I have been trying to talk Imperial Oil and Golden Eagle into establishing storage tanks, in this day and age, in all isolated communities in Newfoundland even along the Southwest Coast.

MR. MUPPHY: The oil prices is horrendous in these places.

MR. NEAPY: In every isolated community. The oil companies should be ashamed of themselves and they should get a kick in the rear end for not going out. They say, "Oh, it is impractical and it is not feasible." I have had umpteen correspondences with Imperial Oil trying to get bulk storage tanks in LaPoile-Petites and in Grand Bruit and they refused to do it even though Golden Eagle is supplying the generator. They

MR. NEARY:

are still hauling the oil in in forty-five gallon drums. I think it is time that the government grabbed Golden Eagle by the scruff of the neck and demanded that they do this or reopen their contract, renegotiate their contract because, in my opinion, they have not lived up to the terms and conditions of their contract and in this day and age oil and gasoline and heating fuel should not be hauled around, in the middle of the Winter, in forty-five gallon drums. So I support the prayer of the petition, Sir. It is a project that I started back in 1970, I think it was. It is only now we are beginning to see the results of it even though the amount of storage capability that they have in Nain is not sufficient at the present time. I believe that the company will, with a little encouragement from the minister, expand these facilities so that the people will not suffer the hardship and have the shortages that they have had over the last two or three Winters.

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

MR. ROBERTS: Mr. Speaker, a number of members have spoken in support of this petition and I think they have canvassed the arguments very well. I do not need to repeat what has been said by my hon. friend from Burgeo-Bay D'Espoir (Mr. Simmons) who presented the petition on behalf of my friend from Eagle River (Mr. Strachan) with the able support of the gentleman from LaPoile (Mr. Neary) -

MR. NOLAN: And Naskaupi.

MR. ROBERTS: And I add my thanks to my colleague for reminding me the hon. gentleman from Naskaupi (Mr. Goudie) as well.

Let me simply say that I think the prayer is well taken and I think the request is one which should be granted. The problem is not confined to the Northern Coast of Labrador nor indeed is it confined to Labrador but it is more serious in Labrador. We have not only the communities on the North - this petition refers specifically to Nain or the communities North of Rigolet but we also have all of the communities on the South Coast with the single significant exception

MR. ROBERTS:

of Cartwright and Port Hope Simpson.

In Cartwright they have very large tankage facilities which were bequeathed to us by the Americans who, of course, formerly had a radar site at Cartwright and when that was abandoned by them the facilities, the large tanks, were there and they were acquired and they are now being used. Similarly in Port Hope Simpson Bowaters installed large tanks there at a time when they were contemplating developing a major pulpwood operation centered around Port Hope Simpson. That turned out to be a disaster, from the economic point of view, in that pulpwood was very, very expensive but the fact remains the tanks are there, as is a very large wharf. Port Hope Simpson must have one of the largest wharfs in all of Labrador and now all it is used for, of course, are the coastal boats and it is not even very convenient for that because it is three or four miles from the community itself.

In the other communities, Mr. Speaker, along the Labrador Coast there are very great needs for tank facilities. The same is true in the hon. gentleman's district, of LaPoile, as he mentioned and a number of places on the Island; Harbour Deep in the district represented by my friend from Baie Verte-White Bay (Mr. Rideout), Croque in my district, St. Julien's-Grandois, Change Islands in Lewisporte district, a number of places. The Labrador part of my district ironically is now partially served because recently Golden Eagle went in and put up large tanks in L'Anse-au-Loup which had the infuriating result, until we got it straightened out, of a higher price being charged for gasoline sold by Golden Eagle at L'Anse-Au-Loup than was being charged by Golden Eagle for the gasoline sold from their tanks at St. Barbe directly across the Straits of Belle Isle. And each

Mr. Roberts:

price was higher than Gulf Oil were charging for the oil and gas products they sold from their tanks at Blanc Sablon just across the Border. So the effect, even leaving aside the tax, because our Provincial tax, of course, is higher than the Quebec Provincial tax, but even leaving that aside Golden Eagle were getting considerably more per gallon for their fuel, oil or gasoline, heating oil or car gasoline, than were Gulf. And the result of that, I think, we have set it straight now, I think the competitive forces have taken hold, the result was, of course, everybody was driving his car across the Border and filling up there, and not only getting his gas cheaper, but getting it without quite as much tax, and what tax he was paying was going to the tax collector, or the Government of Quebec. And that is, you know, no way to build this Province at all.

In any event, Mr. Speaker, the point is that these tanks got to be provided if we are to have adequate service. A few years ago oil was a bit of a luxury, in a sense, but now it is an absolute necessity. I would imagine, what? 80 per cent or 90 per cent of the homes in Labrador now have oil heating, either totally or in combination with wood burning stoves? Every home has at least two skidoos. There cannot be a home between L'Anse au Clair and Nain that does not have two skidoos sitting by the door and many have many more, and they consume a vast amount of gas. And then, of course, in the areas where there are some roads, and even some areas where there are not roads, people have cars and trucks to get around the Harbour or to get on what bit of road they have.

The economics are simple. Gasoline in a forty-five gallon drum is, I would think, what, \$1.00 or \$1.50 a drum more expensive? Maybe \$2.00 a drum more expensive, not counting the cost of the drum. The drums themselves are becoming very hard to find, very scarce, very difficult and consequently more expensive, in addition to the cumbersome trouble. A forty-five gallon drum of oil, Mr. Speaker, is \$50 pounds.

MR. GOUDIE: \$1.46 a gallon.

MR. ROBERTS: The gentleman from Naskaupi says, \$1.46 a gallon for the fuel.

MR. GOUDIE: Gasoline

MR. ROBERTS: Gasoline. And, you know, outrageously expensive, but the fact remains that whether it is Mr. Mel Woodward's Firm or anybody else, the cost of tanks cannot be met from even those charges, and if the cost of tanks has to be amortized, the cost of the fuel would be just incredible. And that is what has happened, I believe, down in LaPoile, down in the hon. member's district where the cost of installing tanks would, if that has to be written off against the number of gallons of fuel oil sold each year, the cost would be just out of the question.

So the only solution is for the government to provide the tanks. And it may cost a few dollars; it will cost a few dollars and I know the Minister of Finance is not looking for ways to spend money this year of all years, but the fact remains, Sir, that these people are either to have these facilities provided by the government or they will not have them at all. I believe they are entitled to them. I do not think it is something unreasonable. I do not think it is something beyond aspiration, I think it is something which should happen. And accordingly I would very much hope that the government will heed the prayer of this petition and provide these tanks, and in addition, will provide the comparable necessary facilities in the other communities along the entire Coast of Labrador, and in those communities on the Island where they are needed.

MR. F. ROWE: Hear, hear!

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. R. WELLS: Mr. Speaker,

MR. ROBERTS: Is the minister asking a question?

MR. R. WELLS: Answering a question. I would just simply like to table, if I may, the answer to a question asked by the hon. the member for Burin-Placentia West (Mr. Canning) with respect to the Provincial

Mr. Wells:

involvement in the Marystown Arena. So I would just table that answer, Mr. Speaker.

ORAL QUESTIONS

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

MR. E. M. ROBERTS: Mr. Speaker, my question is for the House Leader in the absence of just about everybody else who is anybody else on the government side. Can the minister tell us whether the government will be bringing in legislation in this session in respect of the present or apparent or about to happen emergency with respect to water supplies here in St. John's? I ask because I see Her Worship The Mayor is quoted as saying, that the matter is being discussed with the Premier and with the government, and I wonder if the minister could tell us whether legislation will be brought before the House?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. R. WELLS: It is difficult to answer that, Mr. Speaker, Discussions may well have been held with the Premier on the matter, but the matter has not yet been to Cabinet. So I cannot say that the government has taken, as such, any decision as yet. My understanding is though that the city has power to control the use of water. I really do not know if legislation would help matters.

SOME HON. MEMBERS: Oh, oh!

MR. NOLAN: They put water meters to the tune of about \$280,000 or \$300,000 in some homes some years ago that were never used.

MR. WELLS: That is right. But I must say again though, Mr. Speaker, it would seem to me that there is power inherent in the city and the local government, in surrounding areas, to restrict the use of water if it becomes an emergency besides which I think people will —

MR. SPEAKER: The hon. member for Windsor-Buchans followed by the hon. member for LaPoile.

MR. FLIGHT: Mr. Speaker, this question to the Minister of Manpower and Industrial Relations. In the minister's statement he indicated that the Buchans Task Force Report was presented to him today and that the Cabinet would now consider it, or government would now consider it for a month, and would then decide whether they would act on any of its findings. Would the minister now advise the House as to what time he anticipates making that report public?

MR. SPEAKER: The hon. Minister of Manpower and Industrial Relations.

MR. MAYNARD: No, Mr. Speaker, I do not know when the report will be made public or if indeed it will be made public. That is a government decision. The Buchans Task Force Report is an internal working document and it is up to government to make the decision not me and government at this time has not had the opportunity to even consider the thing.

MR. FLIGHT: A supplementary. Would the minister advise the House as to whether or not he is aware of any reasons why it should not be made public?

MR. MAYNARD: Aware of any reasons why what?

MR. FLIGHT: Why the Buchans Task Force Report should not be now made public.

MR. MAYNARD: I am not, at this time, aware of any reason why it should not be made public and I am not aware, at this time, of any reason why it should be made public. Mr. Speaker, I have not had a chance to read any more than a chapter or so yet. I just received it today.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Finance, Sir. If the Minister of Finance has an ounce of feeling or regard at all in his bones for retired wardens, firemen, policemen and members of the Old Comrades Association and retired civil servants, would the minister indicate to the House if these people will be getting an increase in their allowances, in their pensions this year. I know it was not provided for in the estimates. But will they be getting an increase this year? Retired wardens, firemen, policemen, members of the Old Comrades Association, retired civil servants?

MR. SPEAKER: The hon. Minister of Finance.

MR. MURPHY: See any of the Old Comrades?

MR. DOODY: Mr. Speaker, I know it is a serious question but it was prefaced in a rather unusual way. The first thing I have got to do is decide whether I have an ounce of feeling or regard in my bones. I can assure the hon. member that I have considerable feeling in my bones particularly those in the right side of my body which are afflicted with arthritis. They make me very conscious of a tremendous number of feelings and this is one of the days, when it is foggy like this, when I am very conscious of that sort of thing. So I can assure -

SOME HON. MEMBERS: Hear, hear!

MR. DOODY: -the hon. member that I do indeed have feelings in my bones. With regard to the pension thing, which is indeed a serious problem and one on which I have had conversation with various members of the retired public service, the constabulary, public service people generally, firemen and so on, this is the first budget I think in the last four or five budgets in which no provision was made for an increase in pensions for public servants. There were a number of areas in this particular budget where decisions were taken which were certainly not very comfortable ones for us or very comfortable ones for people on fixed incomes.

At the present time there are no immediate plans for changing that decision. It was done in the light of the fiscal problems that

MR. DOODY:

the Province is now experiencing. Hopefully next year we will be in a position to do something about it. But right now, Sir, the situation is as it is in the budget. There is no provision for an increase in the public service pensions.

MP. NEAPY: Mr. Speaker -

MP. SPEAKER: If this is not a supplementary I will recognize another hon. gentleman.

MP. NEAPY: Mr. Speaker, I would like to ask the hon. minister a supplementary question.

MR. DOODY: Is it about my feelings now or about the pensions?

MP. NEAPY: Well I can see from the hon. minister's answer he does not have very much feeling for his fellow human beings. Is this answer now given by the minister definite? Is the minister going to reconsider or review the situation with his colleagues? Is this a definite answer we have now, there is going to be no increase in pensions this year?

MR. DOODY: I will try to answer it again.

MP. NEAPY: Based on the cost of living.

MP. DOODY: As I said just a moment ago, at the present time the situation is as it was when the budget was read some months ago. There are no immediate plans for any change in the situation because the financial situation of the Province certainly has not changed for the better since that time. Further than that I cannot go. I cannot say what is going to happen in two months time or six months time or three months time. I can tell you exactly, Sir, what the situation is at the present time and this I have already done.

MR. SPEAKER: The hon. member for Burgo-Bay d'Espoir.

MR. R. SIMMONS: Mr. Speaker, I have a question for the Minister of Tourism in relation to the statement he made today about the publicity campaign. I wonder first of all would the minister indicate who is preparing those T.V. and radio items, whether they are being prepared within his department or by an outside firm, and, if so, could he identify the firm for the House?

MR. SPEAKER: The hon. Minister of Tourism.

HON. T. V. HICKEY: Yes, Mr. Speaker, I can give a very definitive answer on that. Any commercials or indeed any statements of any kind, press releases or what have you, will be compiled within my department, will be done by the department staff, or myself. And I might say while I am on my feet, Mr. Speaker, that we have a submission from one of the branches of the media, the others should be in in a few days. And I might also say, in relation to a comment made earlier with regards to by-elections, this has nothing to do with any by-elections. The programme indeed was started last year.

MR. SIMMONS: Come on now, come on now!

MR. HICKEY: Mr. Speaker, hon. gentlemen can say what they like, they can think what they like. Indeed one cannot go to jail, Mr. Speaker, for what they think, but they sure can for what they say.

This programme, Mr. Speaker, started last year, and I can supply hon. gentlemen with definite proof of that, copies of releases, copies of tapes etc., and, Mr. Speaker, that programme will continue except on a greater scale because, as I said, it was only introduced last year, and I hope the fact that there are by-elections will not prevent hon. members, and not only myself, but hon. members of the House, I have asked, hon. members of the House to join in this programme, and in their own way promote this programme, and they can do it, Mr. Speaker, if they will just take the opportunity to do so in making public statements.

MR. SIMMONS: A supplementary.

MR. SPEAKER: A supplementary.

MR. SIMMONS: Mr. Speaker, I understand now from the minister that all the preparation was done by persons within his department, can he indicate when we might see the first results, when we might see the first spots on television, and that kind of thing?

MR. SPEAKER: The hon. Minister of Tourism,

MR. HICKEY: Yes, Mr. Speaker, it is with a great deal of pride that I announce when the programme commenced officially, it was yesterday.

MR. SIMMONS: Aw!

MR. HICKEY: And I might also say, Mr. Speaker, it was not by me or any of my staff, but by the member for LaPoile. And it was a very good comment, and I commend the hon. gentleman for it. I am not sure if we might have talked at one time or other during the last year.

MR. NEARY: No. We did not get the Orders-in-Council.

MR. HICKEY: But seriously, Mr. Speaker, -

MR. MORGAN: Come on over, boy!

MR. HICKEY: - that is all the programme will be basically, it will be tapes or press releases -

MR. WHITE: Prepared by the minister?

MR. HICKEY: Maybe a couple, Mr. Speaker. I am not camera shy.

MR. SIMMONS: Norma, Gladys and Tom.

MR. HICKEY: It is too bad that she is not back right now, Mr. Speaker, it could do a great deal to promote this kind of a programme. But quite seriously I cannot give the hon. gentleman a definite date. Just as soon as we make a final decision with regards to the media, I hope at least within a week from that something can commence. Because really, there is not going to be required any great deal of time to put the messages together, indeed they have already been done. We used a great number of them last year, and we feel they have brought some results, except it was late when we started it, and I hope that we can continue along the same lines this year.

June 9, 1976

Tape 3315

PK - 3

MR. WHITE: How much will it cost?
MR. SIMMONS: A supplementary.
MR. HICKEY: I have no idea yet.
MR. SIMMONS: A supplementary. A supplementary.
MR. SPEAKER: A supplementary.

MR. SIMMONS:

Mr. Speaker, I thank the minister for his clarification because his answers indicate something quite different. The statement gave me the impression that it is rather a continuation of a programme rather than a great new programme. Mr. Speaker, a supplementary. Can the minister indicate what kind of budget figures have been set aside for this, what this particular programme, as he has outlined in a statement earlier today, will cost the treasury, what budget figures did he have in mind and over what period of time?

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, I have no idea and I do not want to mislead the hon. gentleman or indeed the House by guessing at figures. I have not the foggiest notion at the moment in terms of actual dollars. I can tell my hon. friend that no new money is required. This money would come out of the subhead under general publicity and advertising. There is a certain amount of flexibility there in terms of what kind of advertising one would do, be it television spots on the mainland, in the Atlantic region which we had hoped to start this year. It could very well be that we might find it necessary to cut back on the number of radio spots in the Atlantic region because of the increase in ferry rates.

For example, Mr. Speaker, we had a pretty well developed programme set for this year, I might say, Your Honour, for the first time, to advertise down in the United States through the medium of television, because the rates down there were not quite as high as in Central Canada. Also to advertise in the Atlantic region for the first time on radio and I am not quite sure, I do not believe, television because television rates were not worked out with the Atlantic region. It was something that we were looking at and hoping to make a decision on.

But as a result of a number of factors, one being the increase in ferry rates, it might well be that we might decide to cut back somewhat, not to any detrimental extent, but cut back somewhat and some

MR. HICKEY:

of the funds might well be diverted to the local scene as opposed to going to the United States or to Central Canada.

MR. SIMMONS: Mr. Speaker, I would like to give notice that I am dissatisfied with the answers to the questions and I would like to debate it under Standing Order 31 (g) at the appropriate time.

MR. SPEAKER: The hon. member for Baie Verte-White Bay.

MR. RIDEOUT: Thank you, Mr. Speaker.

MR. SPEAKER: Everybody is supposed to be standing when the hon. gentleman is sitting.

MR. RIDEOUT: Sir, you can sit down. I have a question for the Minister of Health. In view of the fact that hospital workers at the Grace Hospital have apparently walked off the job, and in view of the fact that word has it that other workers around in city hospitals are planning to do so, could the minister inform the House what the situation is currently with regard to the Grace Hospital, in particular, and the others if it should come about that they will be leaving their jobs?

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, I was made aware of the situation at the Grace just a little while ago and I am sure the hon. member understands that it is an internal problem as it relates to that particular institution. We have a very competent board responsible for the operation of that institution and a very capable administrative staff and I would hope that they can resolve the problem.

MR. RIDEOUT: A supplementary, Mr. Speaker. I thank the minister for his answer but could the minister tell the House whether or not, for example, any contingency operation plan has been worked out by the board or the board in conjunction with his department or whatever should the withdrawal of services continue for, you know, some time?

MR. COLLINS: The very nature of the operation of hospitals, Mr. Speaker, demands that contingency plans are always in place for any emergency.

MR. SPEAKER: The hon. member for Bellevue followed by the hon. member for LaPoile and the hon. member for Conception Bay South.

MR. CALLAN: Mr. Speaker, a question for the Minister of Municipal Affairs and Housing. In view of the fact that many communities, many, many communities in our Province have large problems, serious problems with garbage disposal - I mean by that that a lot of municipalities have open garbage dumps, no way of incinerating the garbage and so on - what plans does government have to overcome this pressing problem?

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

MR. PECKFORD: Mr. Speaker, that problem brought up in the question from the hon. member for Bellevue (Mr. Callan)

Mr. Peckford:

is a municipal problem to start with. It is, in the first instance, a municipal problem. But the government, if the hon. member looks at the estimates for the Department of Municipal Affairs, will find under 1903-03-10, incinerator and firefighting equipment, and there is an amount in the estimates this year of \$500,000, which is cost shared 50/50 with municipalities for incineration as it applies to waste disposal sites.

MR. CALLAN: A supplementary.

MR. SPEAKER: A supplementary.

MR. CALLAN: Mr. Speaker, no doubt the hon. minister is aware that no incinerators have been manufactured in this Province since 1971. During 1971, during the previous administration, approximately thirty incinerators were manufactured at the Marystown Shipyard during a period of low employment for shipbuilding. Why has not this government continued the manufacture, and, therefore, the distribution of incinerators?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, there are two separate points on that question. One, deals with the supply of incinerators in the Province, the other deals with the demand for incinerators within the Province, and hence they are linked very closely. One talks about the manufacturing of incinerators in the Province. The demand has not been that great over the last few years. One of the reasons for that is the environmental controls that are placed on areas that have been approved as waste disposal sites and are now becoming, not obsolete, but have used up most of the good land that they had, and an incinerator if it is too close to a highway, the waste disposal site is becoming obsolete, these kinds of problems. So the demand for incinerators has not been of sufficient amount to warrant the production in a large way, in an economic way of incinerators. In recent months the demand has picked up from municipalities for a number of kinds of incinerators. To my knowledge recently a number of municipalities

Mr. Peckford:

have purchased incinerators in Nova Scotia, because there was not the kind available here, environmentally and so on.

So I am only answering the question just from a common sense point of view rather than from any specific knowledge. The only knowledge I have is that in the department the demand has not been that great. The demand has picked up somewhat in the last couple of months, and a number of municipalities have been inquiring about it, and are going to be participating in the programme that I alluded to earlier, and if the demand is such that some kind of manufacturing can occur I am sure we will take the necessary steps to see that it is done.

MR. SPEAKER: The hon. member for Bellevue.

MR. CALLAN: I am dissatisfied with the answer, and I would like to debate the issue on the late show following the National News tomorrow evening.

MR. SPEAKER: The hon. member for LaPoile.

MR. S. A. NEARY: Mr. Speaker, with reference to the Minister of Public Works and Services. In view of the -

MR. SPEAKER: Order, please! I believe the hon. minister wishes to ask leave for -

HON. A. J. MURPHY: Mr. Speaker, I would just like to add something to what the Minister of Municipal Affairs has said, with reference to a question.

MR. SPEAKER: Does the hon. minister have leave?

SOME HON. MEMBERS: Agreed.

MR. MURPHY: During recent weeks, and months actually, the Department of the Environment have been very much concerned with the same matter as brought forth by the Minister of Municipal Affairs. As we know, within an incorporated area, the council themselves are responsible for garbage disposal and this type of thing. But we have many dozens of waste disposal sites, outside of the municipal areas, where the Department of the Environment establishes committees, and we are hoping, and plans are being formulated for incinerators wherever it is possible providing funds are available. And to that purpose, Sir, I would like

MR. MURPHY: to mention, and I think that most are aware, that ongoing discussions have been held with the Department of Industrial Development, with the minister and his officials. Perhaps it would provide something for Marystown, as the hon. member has suggested, to take up the slack down there, and also to provide a very necessary need because, I think, Mr. Speaker, we must all be aware today that we face a problem that was not in existence twenty years ago when, in our homes, many of us had coal stoves and wood stoves. We burned 90 per cent of the stuff that we now put out in garbage bags, right? And this is a big problem we found.

And there is a very satisfactory one, I think, in the hon. member's district of Conception Bay South (Mr. Nolan), in the Kelligrews area, in that there is not one complaint with the incinerator that was placed there.

MR. NOLAN: Except from the man who fell into it last year, or this year.

MR. MURPHY: Did he fall into it?

MR. NOLAN: He fell right out of the truck into the incinerator.

MR. MURPHY: Is that right? Perhaps this is a forerunner of this crematorium they are all looking for in Newfoundland.

I think that is the answer, Sir, and we are trying to develop it to the best of our ability, and when funds are available we hope to have them instead of the ordinary land fill we have now.

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

MR. NEARY:

A question to the Minister of Public Works and Services, Sir.
Yesterday word leaked out that a French-Canadian company may take over the Health Sciences Complex management project and finish the project. The question I want to put to the minister is, what will become of the jobs of the many hundreds of Newfoundlanders who are working on that project, especially the former employees of Scrivener Projects Newfoundland Limited? Will their jobs still be there if the minister takes the decision to bring in this French-Canadian company called SNC?

MR. SPEAKER: The hon. Minister of Public Works.

MR. FARRELL: Mr. Speaker, the hon. member is quite correct when he says the news did leak out. It certainly did. But it leaked out a little incorrectly because even I, I repeat, I, do not know at this moment what company will take over that project because there must be - our recommendations of the Department of Public Works must be in agreement with the receiver actually as most people know. So at this moment I do not know but I can say that last Fall approximately, when I first heard that Scrivener Limited were in difficulties, and obviously Scrivener Newfoundland Limited would follow, I became quite concerned and I instituted proceedings in the department for an orderly take over if this did occur and that the rights of all workers be protected, that there be no break in their continuity of employment, etc.

I can tell you right now and I can assure the hon. member that if - and I say if - a foreign company - I mean by that from outside Newfoundland and Labrador - does get this contract that none of the workers employed by Scrivener at this time will be affected. As a matter of fact I will give him my personal guarantee that none of them will be affected by any takeover.

MR. NEARY: A supplementary question, Mr. Speaker. I thank the hon. minister for giving me such a frank and honest answer. I would like to ask the minister why it is necessary, when there is such a shortage of work for engineering firms and architects and construction people in

MR. NEAPY:

Newfoundland, why it is necessary to go outside of the Province to bring in a French-Canadian company owned by gentlemen called Surveyer, Nenniger and Chenenvert. Could we not get Newfoundlanders to complete the job?

DR. FARRELL: Mr. Speaker, actually I could give some partial answer at this time because it is a huge project of a very specialized nature. It is absolutely essential that it be completed as soon as possible and as well as possible. This is a great part of my concern at the present time. For that reason we have had to consider people who have had expertise in this area, and mainly for that reason we have looked at outside people because they are not available in the Province.

MR. NEAPY: Mr. Speaker, a supplementary question. Is the minister aware that the project is in its final stages and all that needs to be done is the finish work, the plastering and that sort of thing? Could not this work be supervised by Newfoundlanders, by gentlemen who had already worked on the project?

DR. FARRELL: The whole system is in receivership, Sir, and at this time it means actually that the remainder of the contract which is about, approximately, seventy-five per cent complete - I agree with the hon. member it is, you know the final touches, electrical, mechanical and plastering, etc. that remain to be done but there is still a large expenditure of money involved and we must have the best possible expertise at this time to see that that is not overspent or kept within bounds.

Now it will mean, actually and very likely, that only one individual body will be involved in the takeover or transfer of this project. I think, basically, one or two at the most.

MR. NEAPY: Mr. Speaker, a final supplementary question.

MR. SPEAKER: One further supplementary.

MR. NEAPY: Would the minister tell the House why the lowest bidder, who in this particular case, I understand, was a Mr. Purdy who was a

MR. NEAPY:

former employee of Scrivener, the former project manager who worked for Scrivener, who now owns a company called Comanec and was the lowest bidder, why the minister and the government did not see fit to award the contract for the completion of the project to Mr. Purdy and to Comanec Construction.

MR. FAPPELLI: Could you repeat that?

MR. NEAPY: Yes, Mr. Speaker. My question to the minister is why did the government not see fit to award the contract to Mr. Purdy who was a former project manager for Scrivener, who formed his own company, who is now on the site as a consultant with a company called Comanec who bid \$200,000 less than their closest bidder? Why were they not offered the contract?

MR. SPEAKER: The hon. minister.

DR. FARRELL: I have just said at least four times, Your Honour, that no decision has been made up to this point, number one. I am really amazed at the hon. member coming up with the last point.

MR. DOODY: His reliable source found out.

DR. FARRELL: Very reliable sources.

But the point is that no decision had been made at that time. When it is made I will give a full explanation and the reasons and the further expenditures that will be necessary if the receiver - do not forget, I repeat, that the bids were made to the receiver, not to me, as Minister of Public Works. But we have to agree with them, and then the receiver has to agree with our recommendations.

MR. SPEAKER: The hon. member for Conception Bay South.

MR. NOLAN: A question for the Minister of Transportation and Communications regarding an accident that occurred in the early hours of the morning on Topsail Hill, just East of the post office in Topsail where someone was almost killed. The car went in through the fence of one of the homes there. This is only the latest of many accidents in the same area. People there tell me - in fact I know, that they have contacted, not the minister personally, but his officials asking for one guardrail there, because it has not just been one accident, it is many, and/or to straighten up the road. But it appears that something must be done. I wonder if the minister would undertake to examine the situation as I have outlined it. I can give him phone numbers, names, anything he wants, because it is a serious problem, and I would appreciate knowing whether, one, if any of it has been brought to his attention in the past or now, and would he consider looking into the situation to see what can be done there?

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

MR. MORGAN: Mr. Speaker, I was not aware of any accident that occurred in that area yesterday evening or last night, and I have not received any

Mr. Morgan.

representation from any residents in the area. But I will be only too pleased to sit down with the hon. gentleman after the Question Period today and get the information, and if necessary take some corrective action.

MR. SPEAKER: The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, in the absence of the Premier, perhaps the Government House Leader can tell the House whether or not there are any further developments regarding the possible reopening of the Come-by-Chance refinery? What is the status of negotiations now? And is there any possibility of having the refinery reopened in the near future?

MR. SPEAKER: The hon. minister.

MR. WELLS: I do not think there is anything more to add there, Mr. Speaker, than was explained by the Premier some days ago. There are people, you know, always in a thing like that, a project of that size or a problem of that magnitude, who were in touch with the receiver who may wish to talk to the government, but I think the biggest job the receiver has in this is to sort out the serious ones from those who just express a passing interest. So I think there is nothing really beyond what the Premier said a few days ago.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Could the Minister of Transportation and Communications tell the House what has happened to the proposal that the minister made to the Government of Canada to try to get a cost-shared project to upgrade, and to twin, and to widen, and to resurface the Trans-Canada Highway? Has the minister had any communications recently from Ottawa in connection with this request? And if so, would the minister tell the House just what is happening, give us a progress report?

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

MR. MORGAN: Mr. Speaker, that submission was made to Ottawa, and negotiations have taken place since the submission was made to the

Mr. Morgan.

Federal Minister, the hon. Otto Lang. Since the submission has been made, the federal officials have been in Newfoundland on two different occasions. They were here less than two weeks ago, and the submission is now being dealt with as well by the Federal/Provincial Committee and Atlantic Transportation Committee which is comprised of representation from both the federal level of government, officials from the level in Ottawa and also officials of the governments concerned in the Atlantic region. So the submission is being analyzed and scrutinized and additional information gathered at the official level, and we are hoping - when I say, we, the Atlantic Provinces, the ministers responsible for transportation, - we are hoping to get some kind of indication from the federal minister, some time this Summer, that they will go along with this kind of a programme and have the necessary funds allocated in next year's federal budget.

MR. SPEAKER: One final question and answer.

MR. NEARY: Mr. Speaker, my question again is to the Minister of Transportation and Communications. The minister spoke some time ago about making seat belts compulsory in Newfoundland. Does the minister intend now or does the minister have any plans to make it compulsory for Newfoundlanders to buckle up in the foreseeable future?

MR. SPEAKER: The hon. minister.

MR. MORGAN: Mr. Speaker, a number of matters pertaining to highway safety is under consideration - They have been for some time, and still are - one of them being the possibility of legislation making the use of seat belts compulsory, and the other is the possibility of reducing the speed limit on the Trans-Canada Highway. And, of course, the third one was the changing of the signs on the Trans-Canada Highway. The changing of the signs is now being carried out. They are changing these signs which did read, "Slower Traffic Keep Right." The line markings and the line paintings are now being carried out across the

Mr. Morgan.

Trans-Canada Highway. They should be completed by the end of this month, the month of June. And then after that the traffic engineer will be assigned to make sure all the line markings are done properly to comply with the new signs which will read, "Keep Right Except To Pass." So all these three things were under consideration, but a decision made on one only to date, and the other two are still under consideration.

ORDERS OF THE DAY

MR. SPEAKER: The hon. Minister without Portfolio.

MR. R. WELLS: By consent of the House Private Members' Day will not be held today, and we proceed with government business, Mr. Speaker.

MR. SPEAKER: I understand there is consent that we proceed with government business? Agreed?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Motion 4.

Motion that the House resolve itself into Committee of the Whole to consider certain resolutions in relation to the advancing or guaranteeing of certain loans, Bill No. 86, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN: Order, please!

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

MR. CHAIRMAN: The hon. Minister of Finance.

HON. C. W. DOODY: Mr. Chairman, this is the regular amendment to The Loan and Guarantee Act, of 1957 which is brought before the House each year. It is an accounting and a listing of the government guaranteed loans which have been entered into with various enterprises during the fiscal year just passed. I think this is probably one of the shortest and smallest such bills on record. There are only seven companies or seven involvements, seven guaranteed loans listed here. But maybe if I could take a moment of the Committee's time, I could run through each of them and explain the purposes of them.

MR. DOODY:

The first one of them is Bell-Haven Fisheries Limited. That was a guaranteed loan of \$50,000.00, The loan was to be used for working capital purposes, and for the acquisition of ice-making facilities. It was for a one year period, and it expires on September 1. This operation is in Belleoram, in the hon. member's district, I think. Belleoram is in Fortune-Hermitage? This is the Bell-Haven Fisheries in Belleoram. I do not know the gentleman's name, I cannot remember it, I certainly did know it.

MR. J. WINSOR: Kearley.

MR. DOODY: Kearley, exactly. A Mr. Kearley. The gentleman came back to Belleoram, I think he had been away, he saved some money, came back, started a small fish operation down there. The major interest that we took in it, as I remember at the time, was the fact that he was providing some competition to the Harbour Breton operation up the road, and I think it was of some benefit to the fishermen in the area to have an alternate source of a purchaser. The gentleman was short of working capital. He did need ice-making facilities, so we guaranteed that \$50,000 loan for him. The loan at the present time is - the interest is in arrears some \$2,000. We have not moved on it because, as I say, it is an individual, it is a small company. I hope that the operation succeeds. I think it was an asset to the area. The fishermen in the Belleoram area certainly should have an opportunity to have such an operation there.

The second one, Mr. Chairman, is the Botwood Lumber Company Limited. This was \$170,000, because it authorized the bank loan was issued to this company, and it was for financing a sawmill and a lumber upgrading facility. The guarantee is for a five year period and it expires on July 15, 1980. Up to March 31, 1976 the company had drawn down \$153,000 of the total credit. I do not know if they have taken up the balance of it since or not. The principal behind that particular operation, and the people in it, Mr. Harry Baldwin of Botwood, a Mr. Barrett, a Mr. Jewer, and another Baldwin,

Mr. Doody:

all of Botwood. I think that they are struggling, I do not really think that the thing is really the outstanding success that we had hoped it to be. But the object of that exercise, as I remember, was that there were a whole lot of small sawmills in that area, spread all around that area, and none of them were big enough to get into an upgrading facility, the planing mill, and a standardizing operation to put out a good product and a good quality product. These people put in some capital of their own, but not enough to be able to standardize and put in the equipment to buy the rough lumber from all these small mills, so the operation was designed to upgrade and to make more profitable a whole series of small operations in the Botwood area. I think that, eventually, it will be a success because the concept is good, and once again it is a small local company, and there is no reason in the world why the guarantee should not have been given.

The next one is a situation which is somewhat similar, it is a Gander Lumber Company. The Newfoundland and Labrador Development Corporation have an interest in there now together with the Baird family, Edgar Baird and his family have operated it for years. They got into serious difficulty during the slump in the sawmill industry last year, and a guaranteed bank loan of \$185,000 was offered.

MR. NEARY: Who is it owned by?

MR. DOODY: Pardon?

MR. NEARY: Who is it owned by?

MR. H. COLLINS: Edgar Baird.

MR. DOODY: Edgar Baird has operated that mill for years and years out there. And the Newfoundland and Labrador Development Corporation are also involved now, they have an equity and loan position in there. They had gone as far as they could. For working capital purposes and to keep the operation going we subsequently guaranteed the loan that is listed here. The loan is up to date. The balance of the loan and interest and payment and so on are all up

Mr. Doody:

to date, and it seems to be coming along very nicely.

The next one is the Humber Cold Storage Limited. This loan is for working capital. It is for a ten year period. The principals of that company are Thomas J. Dunphy, Mary Dunphy and Leonard Hawco of Corner Brook. Once again this was for a local operation out there, for working capital purposes, and the balance outstanding -

DR. FARRELL: Where is it located?

MR. DOODY: Corner Brook.

AN HON. MEMBER: Curling. The Curling area.

MR. DOODY: The loan has been reduced to \$114,000, and the interest is paid up to date, and it is going along quite well. They are not in arrears to government. As a matter government is not involved into any of these except the guarantee.

The next one is for \$44,000 guarantee for a gentleman named Raymond Johnson. This was issued to enable him to finance the construction of a pilot boat for use in Humber Arm in Corner Brook. Mr. Johnson, as I remember it, had a firm contract with the harbour management people out there, I do not know if it was the National Harbours Board or MOT, or whoever has the responsibility for the harbour, they gave him a firm contract for a number of years but -

MR. NEARY: What about the capital?

MR. DOODY: - but he did not have the capital to build the boat. He has drawn down some of the money. The boat had not been finished up to the time these notes were prepared. But in any event the amount of money which he will get in the contract will be more than sufficient to amortize the interest and the principal on his loan from the bank which we have guaranteed. This is one of the weird and wonderful things of this world. The bank, in this particular case as in many of these cases, and banks are weird and wonderful institutions, they are quite willing to give Mr. Johnson a \$44,000 loan. They have in one hand, a guaranteed contract from a Federal Government Department, in the other hand they have a guarantee from

Mr. Doody:

the Government of Newfoundland, and on the other hand they will charge the guy a big fat interest rate while they sit back and clip up their profits. That has been the history of the banking system in this Province. There are no risk capitalists around here, I am afraid, or very few.

The next one, Northwest Fisheries Limited is Dunphy's Fisheries Limited of - the principals are Dunphy's Fisheries Limited of Curling. This is a guaranteed bank loan to enable the company to purchase a modern combination seiner stern dragger The Lady Patricia -

MR. NEARY: Is that same Dunphy, Joe?

MR. DOODY: Yes. This one is for - this is another company but it is the same principals, I think.

DR. FARRELL: Right. Yes.

MR. DOODY: Dunphy's Fisheries. And this was to enable them to operate the herring business in a more profitable and reasonable manner. Once again this loan

MP. DOODY:

is being reduced on schedule and the interest is paid up to date +
It appears to be going very well and there is no reason to have any
concerns about it.

MP. NEARY: They have drawn down the \$150,000?

MR. DOODY: They have drawn down the \$150,000. That was the amount
that was necessary to purchase a boat. They have had some money of their
own in there of course.

MP. NEARY: Is there any more employment involved here?

MP. DOODY: Yes. This enables them to operate more efficiently
in the herring industry. They are able to get bigger production in
their herring plant out there. The Lady Patricia is a modern
herring seiner stern dragger such as they have not had on the West
Coast before. It was an experimental effort in one sense since no
other company in the Province had gotten into that operation to that
extent. We encouraged them, as I remember it, to get that particular
boat and it seems to be doing well.

The last one there is a gentleman named Joseph Ploughman
who has been authorized a guaranteed bank loan of \$10,000 to be issued
to Mr. Ploughman at Port au Choix to enable him to make the requisite
downpayment on the purchase of a boat through the Fisheries Loan Board.
Now at that time the downpayment for a longliner was much higher than
it is now. We have reduced it and changed the rules and regulations.
But at that time Mr. Ploughman was right on the edge of the time when
the new programme was coming into effect. In order to enable him
to get the longliner when he needed it the bank loan is guaranteed
at \$10,000. The interest is paid up to date and I understand from
the notes that I have here that the Fisheries Loan Board will take
over that loan. But whether that is so or not I cannot say.
But it is really immaterial since Mr. Ploughman himself is reducing
the loan and paying the interest. So, as I say, there are relatively
few this year and they are all relatively secure. Thank you, Sir.

MR. CHAIRMAN: The hon. member for LaPoile.

MP. NEARY: Mr. Chairman, the minister has given us an explanation as he sees it on most of these loans and guarantees. The one I want to zero in on is the \$150,000 for Northwest Fisheries Limited. Hon. members of the House may remember that Northwest Fisheries Limited is the company owned, I would say, mainly by the Dunphys, the company that wanted to build a herring plant in Curling. They wanted to build a fish meal plant in Curling and quite a controversy developed in the area as to the location of the plant. I am not sure if there were petitions circulated but certainly there was strong objection and I believe petitions circulated objecting to the construction of this plant, this fish meal plant, herring plant in Curling.

This was prior to the last provincial election. As a result the hon. the Premier who has an interest in that particular area decided - I do not know if it was at the request of the company or if the hon. the Premier took the initiative - decided that the plant should be located in a different area.

MR. DOODY: A request of the town council.

MP. NEARY: A request of the town council. Well then the hon. the Premier acceded to the request that the plant be located in another area and the area that was chosen was a place called York Harbour. So the plant is now located at York Harbour.

MP. DOODY: In a place called Island Cove near York Harbour.

MP. NEARY: Island Cove near York Harbour. And, Mr. Chairman, for this little concession, for this little goody that was passed out before the last election, the company, Northwest Fisheries Limited, were given a government guarantee, a bank loan of \$150,000. The minister tells us that it is currently up to date.

MP. W. CAPTEP: One hundred and thirty-five.

MP. NEARY: Well the \$135,000 was for the - no, not the \$135,000.

MP. W. CAPTEP: One hundred and twenty-five then.

MP. NEARY: No, the.

MP. W. CAPTEP: It is \$150,000 and \$125,000.

MP. NEARY: One hundred and twenty-five was for cold storage. Well

MP. NEARY:

both operations were supposed to go hand in glove, were supposed to go together until the people kicked up a fuss about the possibility of pollution from the plant. So they moved it down to Island Cove and for that little move, for that little favour, granted so that nobody would rock the boat before the election, the government agreed to give Northwest Fisheries Limited \$150,000 of a government guarantee.

Mr. Chairman, I am glad to hear the minister say that the company so far has been paying the interest because I am told, Sir, - and I do not know, perhaps the minister can confirm this - but in my brief stopovers that I have had in the great western city of Corner Brook, in my brief stopovers that I have had on my way either coming or going to LaPoile district, I have been told by residents in the area that that plant, that herring plant has not produced a single ton of fish meal since it was built.

MR. WOODROW: That is not so.

MP. NEARY: Well the member says it is not so. Well then the people who are telling me must be misinformed.

MR. WOODROW: I wish I had the worth of the fish meal that is being produced. I would not be in this House of Assembly.

MP. NEARY: When was it produced?

MP. WOODROW: It has been producing ever since it was built except for last Winter.

MP. NEARY: Well, Sir, I have been told that not a truck load of herring -

MP. WOODROW: In fact I saw about a ton. There were 200 or 300 sacks of meal there about two months ago.

MP. NEARY: Well there seems to be a difference of opinion then between what the hon. member is saying and what my informants in Corner Brook have been telling me. So, therefore, without making any charges or accusations or insinuations or innuendos or anything else I call upon the minister who is piloting this bill through the House to give us a progress report, a detailed report. The hon. minister can get it

MP. NEAPY:

fairly quickly by just calling the minister's officials, if he has to. Give us a report on how that plant has been performing since it got the government loan of \$150,000, a little favour for relocating in Island Cove.

How much fish meal have they produced? How much herring have they processed and how many jobs has it created? Now these are pretty fair questions and the minister is a responsible and reasonable individual who will have no hesitation I am sure in providing the House with this information. The minister cannot just brush it off by saying, "Well I do not have the information at my fingertips but I will get it tomorrow or next day." Tomorrow or next day may be too late. The House may be closed and I want to get the information before we pass this bill.

MR. DOODY: It is going to be difficult because we are going to have to get in touch with the company.

MP. NEAPY: Oh, it is going to be difficult. Well all the minister has to do is call up his colleague, the Minister of Fisheries, and I am sure that information, if they do not have the statistics, I do not know why they call themselves the Department of Fisheries. Are they there just to rubber stamp decisions that are made in Ottawa? They must have statistics on all the plants across Newfoundland.

We heard the Minister of Fisheries only last week tell the House about all the increases in production in the various fish plants across Newfoundland in the first quarter of this year compared to the first quarter of last year. I feel sure, Sir, that there is somebody in the Department of Finance or in the Department of Fisheries who can give us a progress report on the operation of this plant in terms of production, how many weeks or how many months it has operated since it was built, how many jobs it has created and so on and so forth? Now I think that is a fair request. The minister is asking the House to approve \$150,000 for this company plus another \$125,000 for its sister company, the Rumber Cold Storage Limited. That is a fair request and I believe the minister owes it to the House to give the House this information before we pass this Loan and Guarantee Act.

MR. SMALLWOOD: May I ask the minister if the explanations that he gave here today are the first explanations that have been given to the House about these seven enterprises? Because if these explanations, and these accounts by the minister of these seven enterprises in which the government has provided credit averaging \$100,000 each, seven enterprises, roughly \$700,000, average \$100,000 each, are the only explanations that the House has had, I have to say frankly that there are not enough explanations.

MR. NEARY: Mr. Chairman, I hate to interrupt the hon. gentleman, but there are only eight or nine members in the House. Could we have a quorum call, Mr. Chairman?

MR. J. CARTER: That is enough.

MR. NEARY: That is not enough. You need fourteen for a quorum in this House.

MR. CHAIRMAN: Order, please!

I would ask the Law Clerk to count the House.

I have been informed that a quorum is present.

The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Chairman, these seven enterprises have cost approximately \$100,000 each of public credit. We have no explanation except the one given by the minister and that is really not enough. If these seven enterprises between them would give jobs to 100 people, it would be excellent. That would come only to about \$7,000 per job. And I would like to see - if that is the case - I would like to see it multiplied tenfold, twentyfold, a hundredfold in Newfoundland. If you multiply this by twenty, it would give you 2,000 jobs, and if you multiply the \$700,000, roughly \$700,000 by twenty, it is \$14 million. Well if with an expenditure of public credit of \$14 million you can create 2,000 jobs, you could indeed, Mr. Chairman, congratulate Newfoundland, congratulate the government on such a fine achievement. But we do not know how many.

Mr. Smallwood.

No one has told us what jobs have been created by this average of \$100,000 per enterprise for the seven enterprises, and it is not fair to the Committee. It is not fair to the House. These seven enterprises are involved in the fisheries of the Province, and in the wood resources of the Province, and in agriculture in the Province, I believe, so that the Minister of Fisheries, the Minister of Forestry and Agriculture are involved, and we have heard nothing that I know of - and I may not be doing them justice when I say this - but as far as I know they have told us nothing about these seven enterprises. It is left to the Minister of Finance to give us a very sketchy, admittedly a very sketchy outline, and a very inadequate account of those seven enterprises, because if you are not going to have the big industry syndrome, and you are going to have small enterprises employing six, eight, ten, fifteen, eighteen, twenty men, thirty, forty men, if you are going to have that, that is just fine, but at least I think the Committee does deserve to know and is entitled to know more than the minister has given us.

Now I am not saying this in any carping spirit. I applaud the government for having advanced those sums of the public credit, \$700,000. But I would like to know what the results are in the jobs created? Could the minister, I wonder, give a little attention to what I am saying? I can read and listen, but I find myself unable to talk and listen at the same time. But maybe the Minister of Finance has that knack. If so, it is a very lucky knack. If he could add to that the capacity to read, and listen and speak all at the one time, he would be a wonder indeed. What I am asking him is that he will endeavour if he can, if he has the information, to tell us how many jobs, more or less full-time jobs now, not purely transitory things, not just, you know, come day, go day, God send Sunday, but honest to God full-time more or less, relatively speaking, permanent jobs. Because if there are a hundred such jobs,

Mr. Smallwood.

then Newfoundland can congratulate itself, that at a cost of only \$7,000 a job, \$700,000 for 100 men in seven industries, seven projects, that is excellent. Would the minister please tell us a little more about it? And I ask in complete sympathy. This is not a peanut, pettifogging criticism at all. It is nothing like it.

MR. NOLAN: Relative to what the hon. member for Twillingate (Mr. Smallwood) has mentioned, often times, as I am sure the minister knows, people do come to government for monies to finance alleged industries of one kind or another, and there is some suspicion. In fact I often times feel that members in government are not always properly informed.- I do not blame them necessarily - about jobs, whether they are transient temporary jobs. It is nice to come into the Minister of Industrial Development, for example, in an attempt to sell him or his officials on the fact that you might have twenty jobs or what have you. It seems very attractive. I wish we only had more people employing twenty people in this Province. But the fact is, I think, a tighter rein should have been held in the past, and today, on those who come to get funds, public money, and are really attempting to get money from government, whatever agency it is for some alleged entrepreneur, and really they are not permanent jobs, which is what I am sure the government is interested in.

Now on the list that we have before us, on say Bell-Haven Fisheries Limited, I understand that was incorporated or registered, at least, in January 21, 1974 by Noel Goodridge, who is now a judge I believe, and the shareholders on the original list are Gordon Sterling, Noel Goodridge and Mike Harrington, all lawyers, I assume. Now there is no share list yet filed, to the best of my knowledge.

MR. NEARY: That is a breach of the Companies Act.

MR. NOLAN: Well, that may be. But the fact is that there is no share list filed as yet. Perhaps the minister might want to comment on that.

MR. NOLAN:

And the notice of mortgage, chattel and floating charge is held by the Minister of Industrial Development, as I understand it - and this was dated October 8, 1975.

Now we go to the Botwood Lumber Company. The shareholders and officers there, December 31, 1975, we have, Harry Baldwin, the president with forty shares; D. W. Jewer, the vice-president with 155 shares; W. F. Barrett, secretary treasurer, 155 shares; and Gwen Baldwin with 100 shares. The mortgage of leasehold property, personal guarantees, floating charge and personal guarantees held as security by the Minister of Finance, and this is dated, I think - I am subject to correction - on July 11, 1975.

As for the Gander Lumber Company Limited, the shareholders and officers, December 31, 1975, according to my information are: E. Baird, 8 Memorial Drive, Gander, president, 1,598 shares; M. Baird, again of Gander, same address, secretary, one share; W. Baird,

MR. NOLAN:

same address. Treasurer, 901 shares. J. Baird, same address, one share. The Newfoundland and Labrador Development Corporation has 1,500 shares in this enterprise at the moment. I notice I have a note here - and the minister might make a note of this to correct me because I am not quite sure what it is. I have a total debt of \$163,186. That is in reference I believe to the Gander Lumber Company Limited. And if they have a total debt of \$163,186, if my information is correct, and in view of the fact that you have loaned them \$135,000 I am just wondering where they stand at the moment financially in this Province and how many jobs they are providing?

The Humber Cold Storage Limited, shareholders and officers of December 31, 1974. Thomas Dunphy, 4 Elswick Road, Corner Brook, ninety-eight shares. He is president. Mary Dunphy, same address, one share, secretary and Leonard Hawco, one share. I assume Hawco is the lawyer. The debenture is held by industrial development or the Industrial Development Board and this is dated April 27, 1970, released on January 29, 1973.

My final notation here, Mr. Chairman, is Northwest Fisheries Limited, shareholders and officers of December 31, 1975. Dunphy's Fisheries Limited - this is in reference now to Northwest Fisheries who have from the government, at least through this company, \$150,000. Dunphy's Fisheries, 4,798 shares. R. Dunphy, Highland Beach, Florida one share, president. Ada Dunphy, Highland Beach, Florida, one share, vice-president. Mortgage registered and dated December 15, 1975. No details but I know that it is signed by J.M. Nesbitt who, if I am not mistaken, is a lawyer in the Department of Justice.

So the thing is we have, in the case as the hon. member for LaPoffle (Mr. Neary) mentioned, a company here - you can say it is two different companies but in fact it is the same people.

MR. DOODY: No, there are two different families, not the same people at all.

MR. NOLAN: Two different families. Oh, well I am sorry. But I would like to have an explanation of some of the things that I have brought up plus the fact how many permanent jobs are we talking about

MP. NOLAN:

and never mind some of the crap that we get from some of the people. I am not suggesting that these have given you any of that. But I would like to know as I am sure the minister would.

MR. CHAIRMAN: The hon. Minister of Finance.

MP. DOODY: Mr. Chairman, I will attempt to supply the Committee with as much of the information as I can that has been requested. First of all I should make it clear as I just pointed out that the company of Northwest Fisheries Limited which is Ray Dunphy of Curling is a different company than Thomas J. Dunphy of Curling. Both of them are in the herring business but, of course, there are a great many companies in that area who are in the herring business and there are a great many Dunphys in that area.

The fish meal plant that was mentioned that was being built in Curling by Thomas Dunphy - this is where the hon. member perhaps is confused - Thomas Dunphy and his company were building the fish meal plant in the Curling area. It was Ray Dunphy of Northwest Fisheries Limited which is the company that got the loan to buy the herring drappers. So these are two different companies. The fish meal plant that was being started to be built in Curling and had received a permit from the council, the town council of Corner Brook and from the provincial Department of Environment because there was no environment hazard in the technical sense - what it was and as the people in the area pointed out in a petition that they took up, it was a smell factor. It was not harmful to health and so the environment people said it was not a pollutant factor but anybody who has had any acquaintance with a fish meal plant could certainly verify the fact that it is a most unpleasant thing to live near and it was being built near the residential area of Curling.

The town council of Corner Brook, the company and government got together and assisted the company to move the plant - DPEF were involved also - to move the plant down near York Harbour in a small

MR. DOODY:

cove down there, not in the community but it is outside the community.

MR. WOODROW: Island Cove.

MR. DOODY: Island Cove, that is it. I cannot remember it.

Anyway that particular plant employs about six people, I think, when the fish meal plant is in operation. My understanding is that the operation has been going on pretty constantly except for the Winter months. It produces quite a bit of herring meal. But the people who are familiar with that type of operation in the House realize that it is not the herring meal plant itself that is the important thing it is the fact that it takes the offal and the nonsaleable herring, the nonfood product that is usually and has been wasted and turns it into a product for which a cash return can be achieved. That affects about six or seven herring plants in the area who deliver the offal and the substandard product to the meal plant. There are about 600 people involved in these herring factories that are out there, in the catching.

MR. NEARY: How many involved in the plant?

MR. DOODY: In the plant itself, there are about six people working in the plant. As you know these mechanized meal plants have a couple of guys standing under the machine and move the bags after they are - but it is the indirect result of that meal plant which makes it -

MR. NEARY: How much time, for instance, have they worked this year?

MR. DOODY: I understand that they started early in the Spring this year and they are still operating out there.

MR. WOODROW: Right, whenever the herring is around.

MR. DOODY: But the important thing about it - then, of course, there are the truck drivers from the various fish plants who bring the product to there and the other allied jobs. But the main benefit of the plant is to the herring plants who were dumping that product or that garbage, as it were, into Curling Harbour beforehand and creating an environment problem. Now they are able to turn it into a profit by selling the offal and the substandard product to the meal

MR. DOODY:

plant and so that operation itself indirectly aids the herring industry on the West Coast which has been a mainstay of the economy in that area for a long, long while, a great number of years.

MR. NEARY: I will be checking on that next time I go out.

MR. DOODY: Yes, okay. You know that is certainly in order. I would be delighted to have you check on it next time you are out and if you see anything that you feel is not in order I would be delighted if you brought it to our attention.

MR. NEARY: I will do a little research for you when I get out there.

MR. DOODY: The Gander Lumber Company is the company that has been in operation for a great number of years and it is one that has had a great number of difficulties. The company was undercapitalized, over extended. The debt position - the hon. member for Conception Bay South (Mr. Nolan) mentioned \$163,000. I do not doubt that that is right. I do not remember the exact figure offhand but I know that it is a large amount of money. That \$163,000 could very well be it. This is why the Newfoundland and Labrador Development Corporation would not put anymore money in there. They had put their share under their act as much as they could put in there.

There were seventy-five people employed by that company in the woods and in the mill. So we had a choice between guaranteeing a loan for them in the amount of \$135,000 or allowing the company to go bankrupt resulting in the unemployment of that seventy-five people. That area cannot afford to lose that many jobs. There was another sawmill in the area that was in trouble at the same time, the new mill, Pavo Forest Products Mill, which is fairly close to there and they were in difficulties. We managed through another system to get them moving again but the Gander Lumber Company needed another infusion of cash. We guaranteed them a loan.

At the same time we also reorganized their corporate structure, as I remember it, and got - they needed equipment, they did not have the proper equipment for the operation as it is now. This has been provided and the operation appears to be going fairly well right now.

MR. DOODY:

As I say their loan is up-to-date and there is no problem with it. But the number of the people employed there is about seventy-five.

The Botwood Lumber Company - you know the names of the principals of all these companies. I read them out before the hon. member for Conception Bay South (Mr. Nolan) did with the exception of the Bell Haven Fisheries. I mentioned that Mr. Kearley was the principal in that company and the matter of record that I have here is the same as the hon. member had. It is the share list filed by the lawyers who incorporated the company. And a new share list presumably has not been filed as yet. But it is a gentleman named Kearley who is the principal of that company. That operation buys fish from a great number of inshore fishermen in the Belleoram-St. Jacques area.

My impression, as I remember it, is that it has given quite a number of people in that area an incentive to get back out into the inshore fishery, to give them an opportunity to sell their fish competitively. Before they either sold it to the plant in Harbour Breton or they did not sell it at all. By giving

MR. DOODY this Mr. Kearley the opportunity to provide the ice making machine and the working capital in addition to his own savings, which he invested there, we have provided an opportunity for the people in that area to dispose of their catches, in many cases closer to home and in many cases at a better price. And I think it is one of the better enterprises that was started there. It is difficult to say how many people are directly affected in employment. The fishery being what it is there may be twenty, thirty or forty people supplying the plant this week and there may be more or less next week, I do not know. Perhaps the hon. member for the area would have more information on that plant and its operation than I have.

The Botwood Lumber Company which is, as I say, a sort of a senior company that has been formed to buy the ungraded and unfinished product of many small mills, many small unprofitable mills, small bench mills, little mills of a family of a father and his son and so on which were not competitive and which could not sell their products on the market today. I am informed by the people who know the operation out there that they would be directly responsible for the employment of about seventy people.

MR. SMALLWOOD That would be relatively full-time?

MR. DOODY Yes, during the logging season, there would be seventy people in the woods. During the season, when they are not actually cutting wood, then they are working in the mills and there are somewhat less than that. So that I would suspect that there would be maybe something like thirty to forty full-time and about a total of another thirty or so who are seasonal.

MR. SMALLWOOD Would the Minister yield for a moment?

MR. DOODY Certainly, Sir.

MR. SMALLWOOD It now comes back to me that there was quite a bit of publicity there some time ago, whether it was six or ten or twelve or fifteen months ago, of that idea of a facility being provided

MR. SMALLWOOD for small mills that did not have planers, could not dress their lumber just put up a rough board, that would handle that product of a number of mills. Now there was an announcement at the time. Does the Minister know if this is the only such facility or are there others in the province? Or is there just this one performing this function, which seems like a very practical and useful function, provided the producers of the rough lumber get a fair price from the facility that is going to dress it. And can the minister tell me also whether the facility, the one that does the dressing, buys the rough lumber, becomes its owner, then dresses and sells it or are they doing custom work, charging so much a thousand feet board measure or some other measure for doing the dressing, and then returning the lumber to the small saw mills, just as for instance, men will go and cut saw logs deliver them to a small saw mill on the halves, getting lumber from half the logs, the remainder of the logs being the price that the mill charges for sawing the lumber? On what line is it done?

MR. DOODY To answer the first question first, Mr. Chairman. My memory tells me that there is a second operation that I know of. There is one in the Bonavista Bay and the Charleston area where a group of small operators have banded together, they are under a local leadership to do the same sort of thing. That is more of a co-op type venture in which all the participants equally share and they also, I think, have had some assistance from the Newfoundland and Labrador Development Corporation. The Botwood Lumber Company, the one that we are discussing here now, Sir, is a privately owned company and the original concept was that they would buy the rough lumber from the small mills and plane it themselves and resell it to the trade. They also, of course, would be in the sawing business themselves as well. They would be buying logs from individuals who would cut them. Whether they have since that time gone into piece work as well, I cannot honestly say.

MR. SMALLWOOD Would the Minister know how many saw mills putting up rough lumber are, in fact, dealing with this facility?

MR. DOODY At the time that the proposition came in and we were working on it in industrial development I think there were something like ten or twelve mills that were listed there. Whether they are all in operation today or whether others have been added or whether it is just—but there were that many and they were really having a difficult time. There is no doubt about it at all, that the market for that type of ungraded rough lumber today is just about gone except in small isolated, perhaps, instances when it is not important. So once again this program or the guaranteed loan — and one must remember that these are not amounts given by the government, as some hon. member mentioned— these are loans that are guaranteed on the credit of the government, they are a contingent liability of the government. They are not a gift by the government.

MR. NEARY To promote Ocean Kist was the same thing, and Paragon Motel.

MR. DOODY Well I guess, Mr. Chairman if we want to go back through history and haul out all the companies that the administration or various administrations or various — back to the time when the first merchant prince arrived here from Devon or wherever — I would suspect that the list would be quite impressive. And it is no coincidence, Your Honour, that most of these loans that go sour or most of the ones that work out are negotiated or acquired by business people, because it is usually business people who are in business. It is very, very rarely that you find it another way around.

It is all well and good to say that these people are industrial welfare recipients or that they are whatever else, leeches or what have you. The simple fact of the matter is, the only people who are in business are business people, and the people who are in the medical profession are medical people and sometimes they coincide and overlap. But very rarely do you find people looking for loans or getting involved in business who are not interested in business. So that part of it makes it all sound very socialistic and very delightful and all very well. But it does not create jobs and it does not help people to

MR. DOODY get organized and get themselves in a position to create employment, and this is the purpose of this particular act. As I understand, it is to provide assistance for people who are providing jobs and job opportunities in the province. The unfortunate thing about it is that we do not have enough entrepreneurs in this province. we do not have enough management people, we do not have enough people who are trained in management. That is one of the basic problems and a lot of these companies get into trouble. They get into trouble not because they do not have ideas nor because they do not have energy nor because the capital is not available, an awful lot of these companies get into trouble simply because they do not have the management expertise and the management talent and background and the help.

That sort of thing is being helped now, or steps have been taken to try and correct it, both through NIMAT, the management training institute that has been set up by the Dept of Industrial Development, and by the federal government's case program in co-operation with the commerce school at the university. But, however, that is another story. I do not know that I can provide any other information off hand. The big problem that the Hon. Member for LaPoile had was that the Dunphys were getting too much money from government and in actual fact there were two different companies there, two different families and they have both received a guaranteed loan.

MR. NEARY One is Dunphys Fisheries Limited, who are the others?

MR. DOODY One is Raymond, one of them is Raymond.

MR. WOODROW Ray Dunphy, and Tom Dunphy

MR. DOODY I have read out the names and so did the hon. member from Conception South.

MR. NEARY Tom Dunphy owns both companies does he not?

MR. WOODROW No, no, no, two completely different companies.

MR. DOODY Will you just wait for a minute, please? Humber Cold Storage Limited is Thomas J. Dunphy, Mary Dunphy and Leonard Hawco of Corner Brook. Northwest Fisheries Limited or Dunphy's fisheries, which is owned by Ada Dunphy and Raymond Dunphy, a different family.

MR. DOODY There are a lot of Dunphys in that area. A lot of herring fishermen in the family.

MR. NEARY You have to have three shareholders in the company, but there are only two, who are the other shareholders?

MR. DOODY Dunphys Fisheries Limited is one.

MR. NEARY But who are the owners of Dunphys Fishery?

MR. DOODY Raymond Dunphy and Ada Dunphy as I got it here.

MR. NEARY That is not so, that is not so.

MR. DOODY Well perhaps it is not.

MR. CARTER Yes it is.

MR. NEARY You cannot register it under the companies act. Dunphy's Fishery could be owned by the same two people plus another person. And who is the other person?

MR. DOODY The list of record here is Dunphy's Fishery. Anyway you can check that out through your usual reliable sources and you can let me know. It will save me a trip to the registry because you are down there every day anyway. The hon. member is down there every day.

MR. NEARY I was down there this morning for an hour and a half checking on mortgages.

MR. J. CARTER: Why did you not stay there? Anyway, Sir, these are the facts of the matter as I see them. If there is any further information that the committee needs I will certainly undertake to provide it for them. In many cases where these loans are being kept up to date and where the interest is being paid and where there has been no call by government, you know,

Mr. Doody.

the information just is not here. We would have to go to the companies and ask them for it, because we have had no reason to go in and investigate.

MR. SMALLWOOD: Now, Mr. Chairman, that the minister is in his place, could he give us some approximate idea of the grand total number of more or less full-time jobs created by this roughly \$700,000 in seven enterprises? Does it run to twelve, fifteen or twenty average for each of the seven?

MR. DOODY: I would suggest that when you get into an area like the Bell-Haven operation, which I hope that my friend from Fortune - Hermitage (Mr. J. Winsor) will talk about, it is pretty difficult to say how many full-time people there are involved. But I would say that there were certainly 150 jobs involved here and maybe if you would start looking at the effect that that meal plant has had on the herring industry in the Curling area that the possibility is a great deal larger, because some of the marginal operations there became more viable once that meal plant went into being. There was also the fact that many of them were in danger of being closed down by the Department of the Environment, federally, or were being forced to undertake some pretty radical changes and improvements in order to stay in operation. So it is not only the creation of the jobs, a couple of hundred jobs, there is also the probable saving of several hundred other jobs.

MR. NEARY: With regard to Curling, would the government still have loaned the money? Would the government be called upon to give this company a loan?

MR. DOODY: Oh, yes.

MR. NEARY: They will be paid in Curling?

MR. DOODY: Yes.

MR. NEARY: So they were going to get -

MR. DOODY: Excuse me, Sir. There is no guaranteed loan here for a fish meal plant at all.

MR. NEARY: There is \$150,000 for fish meal.

MR. DOODY: No, no!

MR. WOODROW: It has nothing to do with the fish plant at all, the meal plant.

MR. DOODY: The Humber Cold Storage Limited.

MR. CHAIRMAN: The hon. member for Fortune - Hermitage.

MR. J. WINSOR: Mr. Chairman, rather than ask the pertinent questions that the hon. member for LaPoile (Mr. Neary) has been asking the hon. Minister of Finance, these types of industries that government is assisting here with "X" thousands of dollars, they are one of the most useful things that possibly could be done by government for the different settlements and the different small companies that are trying to do something for their areas, communities and whatnot. As the Minister of Finance said, "They are entrepreneurs, they are leaders in their communities, they get an idea, or they are forced into it by the fact that their fishermen cannot sell the product that they are catching. I am referring specifically here to Bell-Haven Fisheries which I happen to know something about. The number of jobs involved, like in all fisheries operations, would fluctuate on the seasons, thirty to fifty jobs maybe. They are always short of money, these people in these small communities. The entrepreneurs are trying everything. They do not have enough capital investment. Unfortunately, as the minister pointed out, they do not have enough management experience, and this, of course, gives you lots of headaches, And I certainly do not envy you the policing of these, the auditing. I am sure it would take quite a number of auditors and managerial types going around to the different communities taking up the slack or showing them where to take up the slack, but they do serve a very useful purpose. And I have said in this House on several occasions that all of these small industries in the smaller communities are lifesavers. The people

Mr. J. Winsor.

would be on the unemployment rolls if they were not there. They are not big operations. Very few of them are large operations, if they were, they would not need so much assistance from government. And Bell-Haven Fisheries are doing a good job. In that particular area of Fortune Bay, they could possibly have sold their fish to B.C. Packers in Harbour Breton, but it was a long haul by truck, and very expensive and the quality suffers. And I think this is the most important thing as far as fish is concerned. If we cannot deliver a first-class quality product, we are not going to sell it. Nobody wants it. Newfoundlanders do not eat very much fish anyway. But if they had to eat a poor product, they would not eat any, and I do not think anybody else wants to. So, therefore, an outfit like Bell-Haven Fisheries or Wallace Roberts in Hermitage, while they may be hurting one of the larger plants somewhat around them, I could not cry them down for that. They are entrepreneurs. They are trying to do something for their own communities, and give the women - particularly in these operations the ladies, the young women, old women, they can still stand to a fishing table and turn out a good product. Most of the meals are cooked in Newfoundland. The good meals are cooked by old women. We will call them old women, over fifty and in that age. I could be shot down for saying that. But, as I said, they are doing a job. Boys coming out of school can get jobs in these small operations. They cannot travel all over Newfoundland looking for jobs which are not there.

And I do not think we have given either government, the government that came before this one, the Liberal Government which started this sort of thing many years ago, and the present government is continuing the same trend and sticking their necks out a mile, picking up small operations which are obviously marginal - you are taking a chance on losing your \$50,000 or your \$150,000. You only hope that

Mr. J. Winsor .

your bit of help might encourage them, and if it is a good fishing season, and everything goes well, it will pay off. And I do not think that the government - I do not like passing too many bouquets around - but I do not think the government should get too many hard knocks. All right! That is fine! I can appreciate that it is the hon. member for LaPoile's job to ask pertinent questions. It is mine, too.

MR. NEARY: That is right. It is the Opposition's job.

MR. J. WINSOR: Right. It is the Opposition's job to needle, and I think we could needle you a bit more, but sometimes it may not be the right thing to do. You got plenty on your plate, and you are going to have more before it is all over.

MR. NEARY: When did they engage in pork barrelling?

MR. J. WINSOR: Pork barrelling, I cannot go along with, as the hon. member says, and I will not go along with it. But I still say that these small operations are very useful, and I have to commend the government for doing their best, in some cases against their better judgement in trying to save the day. And that is about all I have to say about it, Sir.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. member for Bay of Islands.

MR. WOODROW: Mr. Chairman, I think I should say a few words concerning the Humber Cold Storage Limited and the Northwest Fisheries Limited, because I am, as you know, the member for the Bay of Islands where these two great industries are in operation. I would like to say at the outset - and I have said this before, Mr. Chairman - that the Bay of Islands district is perhaps the biggest district in the Province of Newfoundland and Labrador for the procuring of herring, because in the district there are no less than six herring plants operating at the present time, and counting in the meal plant in Island Cove, near York Harbour, we have an additional plant, you could say, which is seven plants.

MR. SMALLWOOD: Would the hon. member name them and locate them?

MR. WOODROW: Yes. First of all in Curling, you have Barry Fisheries.

MR. SMALLWOOD: What do they do? Do they just pack herring?

MR. WOODROW: Pack herring.
Gulf Fisheries.

MR. SMALLWOOD: What do they do?

MR. WOODROW: They pack herring.

MR. SMALLWOOD: What kind of packing is it now?

MR. WOODROW: Brine packing.

MR. SMALLWOOD: All right. That is two.

MR. WOODROW: Then, of course, you have Dunphy's Fisheries. Did I mention that?

MR. SMALLWOOD: No, no!

MR. WOODROW: Dunphy's Fisheries.
You have in Benoit's Cove, Allan Fisheries.

MR. SMALLWOOD: That is four.

MR. WOODROW: In Lark Harbour -

MR. SMALLWOOD: That is four, is it?

MR. WOODROW: - In Lark Harbour you have - what is that one? - Sheppards. It is packed by a Nova Scotian company.

MR. SMALLWOOD: That is five.

MR. WOODROW: Then also another plant operated by Humber Cold Storage in Coxes Cove.

MR. SMALLWOOD: That is six. And the meal plant.

MR. WOODROW: And the meal plant in Island Cove.

MR. SMALLWOOD: Who owns the meal plant?

MR. NEARY: Dunphy's Fishery controls the interest.

MR. DOODY: Thomas Dunphy, Mary Dunphy and Leonard Hawco.

MR. WOODROW: Yes.

MR. SMALLWOOD: Are they anything to Alex?

MR. WOODROW: A brother of Alex Dunphy.

MR. SMALLWOOD: A brother?

MR. WOODROW: Right you are, yes.

And I would also like to say that these are very reputable plants, and very high labour-intensive plants. The hon member from Twillingate (Mr. Smallwood), was asking about the number of jobs. Now I recall in 1973, at that time there were 450 jobs from the three plants in Curling only. Now these are direct jobs only. And today, I think, that has risen maybe. I would not hesitate to say -

DR. FARRELL: No, it is between 500 and 600.

MR. WOODROW: Yes, I was going to say that. I would not hesitate in saying today that it has risen to between 500 and 600 jobs.

DR. FARRELL: It is over 500.

MR. WOODROW: At least. And it employs, not only males, but it employs females as well, as the hon. members for Fortune-Hermitage (Mr. J. Winsor) says is done in his district. I certainly feel it is money well spent. I wish that we had more people, entrepreneurs we call them today, like these two companies mentioned. I would also add companies like Barry Fisheries and Allan Fisheries in Curling.

Now regarding the meal plant, the hon. minister mentioned that there was an environmental problem there and there was a petition to get the plant removed. I was in Council at the time this petition was presented, and the plant was relocated to

Mr. Woodrow:

a place called Island Cove. And incidentally it was done on their own. I think, there is a mistake here about monies being put in that plant.

MR. NEARY: Does the hon. member know when the mortgage was registered? September 15, 1975.

MR. WOODROW: But you are talking about another plant. For what company?

MR. NEARY: I am talking about the Northwest Fisheries Limited. Is that not the company the loan is for?

MR. WOODROW: That has nothing to do with the meal plant. That is Ray Dunphy.

MR. NEARY: Which one has to deal with the meal plant?

MR. DOODY: Humber Cold Storage.

MR. WOODROW: Yes, Humber Cold Storage.

MR. NEARY: Well let us see when that mortgage was.

MR. WOODROW: Again, again, Mr. Chairman, really, I do find it strange, Number one, it is amazing how little is known. May I should say how little I know, let us say, about the district of Baie Verte or some other district? That is how little is known maybe about the district of the Bay of Islands by other members. But at least I think if we are going to quote things that are happening in another district, I think we should have the facts and have them straight. This is terribly important.

MR. NEARY: Give us a few about the district.

MR. WOODROW: So in any case, regarding the fish meal plant, it is taking the offal from the six herring plants already mentioned. And I might say, I might add, in fact, I visited that plant during the Easter recess, and they were having some problems there, like everything else, in fact, it was a new operation just getting underway. I happened to know the man who was in charge of the plant. I have talked with him, in fact, I have kept in touch with him on many occasions. It was an industry in the Bay of Islands District, and naturally I wanted the industry to be successful.

MR. NEARY: Was the hon. member worried about it?

MR. WOODROW: At the present time I would say, no. In fact, it is employing now -

MR. NEARY: I did not think the hon. member was.

MR. WOODROW: - it is employing directly between six or seven, maybe up to ten men, and it also gives employment indirectly to a number of truck drivers. I would not know how many, but it certainly gives employment while the herring plants in the various areas are in operation.

MR.H.COLLINS: Plus the fact that it increases and includes the viability of the other plants.

MR. WOODROW: Absolutely. Of course.

And above all else, the hon. the Minister of Provincial Affairs -

DR. FARRELL: Consumer Affairs.

MR. WOODROW: Consumer Affairs will be happy to know what this is doing for the environment in this particular area.

So I am really delighted, in fact, I am delighted that this thing came up. And I can say that I only wish that many other people all over the Province, in many parts of the Province, would take up the gauntlet themselves, take up private enterprise, then, I think, a whole lot could be done rather than have government do this thing themselves.

MR. NEARY: Well is that not what government are doing?

MR. WOODROW: Well really they are doing it - no, they are not doing it.

DR. FARRELL: No they are not doing it.

MR. WOODROW: They are helping. Well what I mean is to have private enterprise responsible for it.

DR. FARRELL: Which company, 'Steve'?

MR. NEARY: The one down -

DR. FARRELL: You mean the offal plant?

MR. NEARY: No, the fish meal plant.

DR. FARRELL: The meal plant.

MR. NEARY: Everybody before the election was swooping down there.

MR. WOODROW: No, no, no it happened long before - I doubt if the election was conceived. In fact this happened in 1974, I was then a member of the council at the time.

DR. FARRELL: A long time before.

MR. WOODROW: Absolutely.

So I think the hon. member from LaPoile (Mr. Neary) is this time wrong.

MR. H. COLLINS: A suspicious mind.

MR. WOODROW: A suspicious mind.

MR. NEARY: Be careful now because these words may come back to haunt the hon. member.

MR. WOODROW: Well fine.

MR. NEARY: The next time I go out I am going down and taking a look at that operation. I have heard so much about it in Corner Brook, about pork barrelling in connection with that plant, I am going to go down and have a look at it.

MR. WOODROW: Well all I can say to the hon. gentleman, Mr. Chairman, is that I hope that he gets his facts straight, and I hope he goes to somebody who can give him the facts.

MR. NEARY: Well I will go right to the plant myself.

MR. WOODROW: Right to the plant yourself?

MR. NEARY: Sure. I will find out all about it.

MR. WOODROW: Not to the plant, no.

MR. NEARY: Well I will talk to the poeple.

MR. WOODROW: You will have to talk to the owners of the plant.

MR. NEARY: No, no I am not interested in the owners.

MR. WOODROW: Not the -

MR. NEARY: They can fill you up with propaganda, I want to talk to the people who know about how many jobs are created, how long that plant operates out of a year, how much they are producing.

MR. J. CARTER: If you want the floor stand up.

MR. WOODROW: Well I say it operates, when the herring plants are in operation, in fact, there is nothing unusual about that. But in any case these are good operations, and I certainly wish the owners of these two companies in question the best of luck. In fact, they are doing a great service to the Province of Newfoundland and Labrador.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN: The hon. Minister of Public Works.

DR. T. FARRELL: Mr. Chairman, I did not intend to enter this debate in any way, but there are several reasons, mainly because I know the people very well who are concerned in these businesses, and particularly because I was involved at the time, which the hon. member from Bay of Islands (Mr. Woodrow) just mentioned, when this controversy started. This plant had been started by the entrepreneurship of Mr. Tom Dunphy who spent a lot of time and effort, and with the aid of DREE, I might add, in getting this plant off the ground, but due to public opinion and environmental problems, or suspected or expected environmental problems, ran into grave difficulties. This was - I cannot give the specific date to the hon. member from LaPoile (Mr. Neary), but it was a long period before any election was conceived or thought about, I should not perhaps say that, but certainly long before any possible date of an election was considered. And I think it is unfair to say at this time, for a man like Mr. Dunphy whom, I might add - I will not talk politically, I should perhaps, but he is a personal friend of mine -

MR. DOODY: Every bit of a supporter.

DR. FARRELL: Well, it is not fair to say that either. Even though a close friend, was not a supporter, if you put it that way, basically, of mine, and one of my best friends who is a very direct and honest man in his political opinions, and I think the hon. member from Twillingate (Mr. Smallwood) may realize this very well, and was a prominent man in politics in that area, and I do not think any finer

DR. FARRELL: man you could ever meet in your travels, and was a very strong supporter of the hon. the member for Twillingate (Mr. Smallwood).

MR. SMALLWOOD: If he is as good as Alex he is a good man.

DR. FARRELL: Yes, Sir. And I think his feelings changed rather slightly after a certain occurrence in the House here which I will not bother with in any detail, which affected the family a little bit, and perhaps his political ideas may have changed since that.

MR. NEARY: Are they brothers, by the way?

DR. FARRELL: Yes, they are.

MR. NEARY: Alex from St. George's?

DR. FARRELL: Yes.

However, that has nothing to do with this, but I think it is fair to say, and I do not want to take up the time of the House on what might appear to be a trivial matter - to me it is important as he is such a strong principled individual - he was caught in a very unfortunate position where he could have lost extensive money and this government came to his aid in all good intent. Good wishes and good luck to him in his future endeavours.

SOME HON. MEMBERS: Hear, hear!

On motion resolution carried.

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

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report they have adopted a certain resolution and recommend that a bill be introduced to give effect to same, and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of the Whole reports that they have considered the matters to them referred and have directed him to report that they have adopted a certain resolution and recommend that a bill be introduced to give effect to same.

On motion resolution read a first and second time.

On motion of the Hon. Minister of Finance, a bill, "An Act Further To Amend The Loan And Guarantee Act, 1957," read a first time, ordered read a second time presently by leave. (Bill No. 86)

Motion second reading of a bill, "An Act Further To Amend The Loan And Guarantee Act, 1957." (Bill No. 86)

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

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

MR. CHAIRMAN: Order, please! Bill No. 86.

On motion Clause 1 and 2 carried.

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

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

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill No. 86 without amendment, and ask leave to sit again.

MR. SPEAKER: The Chairman of the Committee of the Whole reports

MR. SPEAKER:

that they have considered the matters to them referred and have directed him to report Bill No. 86 without amendment.

On motion report received and adopted.

On motion bill ordered read a third time presently by leave.

On motion a bill, "An Act Further To Amend The Loan And Guarantee Act, 1957," read a third time, ordered passed and title be as on the Order Paper. (Bill No. 86)

MR. SPEAKER: Order 17, Bill No. 71.

Motion second reading of a bill, "An Act To Amend The Local School Tax Act." (Bill No. 71)

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, the School Tax Act is being changed to bring it in line, tidying up. There are three main things in the bill. One is to put the age to eighteen rather than nineteen and that brings it in line with the voting age. The second is to change the words 'poll tax' to 'school tax'. The basic purpose of that is, of course, to allow the wage deductions for people who are paying property tax to bring it in line with those who are paying the regular standard rates.

The third major change given there is to provide an exemption for people who are living in a school tax area but their children are attending school in a non-school tax area. The point there, of course is if somebody is living in St. John's and their children are attending school outside of a school tax area such as out in Conception Bay they will only have to pay the difference between the assessment and the school tax. That is another provision there.

The other major one is to allow, of course, an abatement on taxes on large industries. One that comes to mind there was, of course, the Come By Chance at the time this was drafted which was worth about \$200 million or \$300 million and the mills rate of 5 mills would have put on a sizeable tax. So it gives the School Tax authority to give an abatement in these kinds of cases or an exemption.

MP. HOUSE:

There are two more. Another one is just a tax certificate. It shall not be less than one dollar. Now it is up to one dollar. The tax people believe that sometimes mortgagers have it built in their mortgages that they can pay more for a tax certificate. So they want the privilege to go to one or two dollars or perhaps three. These are the major changes.

MP. SMALLWOOD: Before the minister resumes his seat, is there a definition of tax abatement in the case of a large industry or other taxpayer? Is there a definition of it or is it just left completely to the Governor-in-Council to make such reductions they feel like?

MP. HOUSE: Well with the recommendations from the Local School Tax Authority and then it has to be approved by the minister, approved or disapproved.

MP. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, this bill gives us an opportunity now to get our licks in, to get a few cracks at the School Tax Authorities that we have been raising so much objection to over the last two or three years. The official Opposition are on record, Sir, and I am on record, when I was a member of the caucus, as fighting this School Tax Authority tooth and nail. The principle is wrong. It is a regressive tax and it is imposing a hardship on many families in this Province. Where you have more than one member of a family working they have to pay - you may have three or four people working out of the one family or five or six and they pay seventy-five dollars each a year and some millionaire down on Water Street can get away with just seventy-five dollars a year. The tax is not a good sound tax at all.

As a matter of fact in other provinces of Canada they are doing away with the School Tax Authorities and they are finding other ways and means to raise the necessary money that is needed to run the schools. Now, Mr. Speaker, we heard quite a -

MR. MURPHY: We would be interested in the member telling us what other ways and means. You know it sounds easy.

MR. NEARY: Direct taxation, that is how, direct taxation mainly. But to put the tax on property, it is considered to be regressive in other provinces of Canada. And here while the other provinces are trying to get out of this type of taxation here is Newfoundland getting into it. There is no harm to say it takes us a year before we catch up with the other provinces of Canada.

MR. SPEAKER: Order, please!

I think I should point out to all hon. gentlemen that in debating a bill on second reading, the principle of the bill - and this is a rule quite firmly entrenched, the House is obviously master of its own rules and if it wishes may change them but unless and until it does change them then the Chair has no choice but to enforce them. Now the principle of this bill is a good deal wider than many which have been considered.

Mr. Speaker.

Yet it is a bill which amends an act. Some amend it in only one specific way. In there there is a very narrow closely defined principle. This bill would hope to amend it in a number of ways with respect to the age for collection of school taxes and of interest and the question of real property and of deductions, etc. But I would point out to hon. members that the principle of the bill is concerned with those particular matters of school tax. I do not think the question before the House is whether there should or should not be school taxes or whether education should be financed through income tax or some other form. It is on school tax and the specific areas of school tax that are enumerated in the bill. It is not the general question whether education should be financed out of school taxes, income taxes, totally out of the public treasury or other things. I point that out to hon. members, because it is a rule which I think all hon. members are aware of and which on debate on second reading where I think it is necessary to reiterate it.

The hon. member for LaPoile.

MR. NEARY: I appreciate Your Honour's comments. But I notice in the explanatory notes that there is room there for a wide-ranging debate. For instance Clause 2 (b) permit authorities to have the real property tax deducted from the wages of an employee. Now there is something, Sir, that has caused apparently quite a headache for certain federal employees over the last couple of years. It has been virtually impossible up to about several weeks ago, or a couple of months ago to collect the tax, the \$75 school tax from federal employees. They just absolutely refuse to pay. But I believe now that the School Tax Authorities have found some legal way to get around it, and are now collecting the taxes.

Mr. Neary.

But, Mr. Speaker, there is also a clause here in the explanatory notes in the bill itself to charge interest on arrears up to twelve per cent rather than a maximum of six per cent as is presently the case. Now, Sir, I would submit to Your Honour - and I have to stand here and confess - that I am one of the guilty parties in this Province who is presently in arrears in his \$75 school tax assessment. I am in arrears, Sir. I am in arrears. And I would submit to Your Honour that there are a number of other hon. gentleman -

MR. MORGAN: They kicked you out of school.

MR. NEARY: I beg your pardon?

MR. MORGAN: They kicked you out of school.

MR. NEARY: The school tax is being paid by one other member of my family.

MR. MURPHY: I have no kids in school, but I am paying it. It is deducted.

MR. NEARY: But, Mr. Speaker, the hon. gentleman may be getting it deducted. The hon. gentleman may have it deducted from his pay cheque as a minister, but there is no provision for members of this House to have the \$75 school tax deducted from their salaries, or wages, or expenses, whatever you call it. And that is why I would submit that all those private members, backbenchers, I would say that most of the private members - I do not know about ministers, because maybe ministers have it deducted through the payroll, but not all the members - the private members do not.

MR. WHITE: All the ministers.

MR. NEARY: All the ministers do. Well, maybe they do.

MR. MURPHY: I do not think mine has been deducted yet.

MR. NEARY: Now there seems to be a contradiction. Do they have it deducted or do they not from their pay cheques?

MR. WHITE: Yes, they pay it.

MR. PECKFORD: If he wanted it deducted, he can pay it.

MR. NEARY: I beg your pardon?

MR. NOLAN: The member for St. John's West -

MR. MORGAN: If you want it deducted, you go and pay it.

MR. NEARY: No, Mr. Speaker, there is no going that route at all as the hon. minister says. That is not so. It is compulsory for an employer to deduct in this city.

MR. MORGAN: He can pay it if he wants to. That is up to him.

MR. NEARY: I know a member can go and pay it voluntarily if he wants to. Anybody can go and pay it voluntarily but it is compulsory to have it deducted from your pay cheque, and the minister has no choice. The Minister of Transportation -

MR. MORGAN: You can go and pay it yourself.

MR. NEARY: The minister has no choice at all, Sir, under the law of this Province.

MR. MORGAN: You do have a choice.

MR. NEARY: The government, as an employer, have no choice unless the minister went down and paid it in advance.

MR. MORGAN: That is what I mean.

MR. NEARY: Well, if the minister went down and paid it in advance, that is a different matter. But if the minister does not go and pay it in advance, pay it voluntarily, then the government has to deduct it from the minister's pay cheque. But it may be done in the case of the minister. I do not know.

MR. MORGAN: All ministers are paying it.

MR. NEARY: All ministers are paying.

MR. NOLAN: The hon. member for St. John's Centre does not know if he is paying. He just said so.

MR. NEARY: The member for St. John's Centre does not know he is paying.

MR. MORGAN: He did not say, he does not know he is paying.

MR. NOLAN: He said, "No."

MR. MURPHY: Not on my knowledge.

MR. NEARY: Not to my knowledge. Well will the ministry make up their minds. Are they paying it or are they not paying it?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The people who makes the laws of this Province.

MR. DOODY: A deduction every two weeks.

MR. NEARY: Every two weeks.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The people who make these various laws, and who compel other people, who make it compulsory to have a deduction made from their pay cheque. The very members have not made provision to have it deducted from their own pay cheques.

MR. MORGAN: We all pay it out of our pay cheques.

MR. NEARY: Mr. Chairman, the hon. Minister of Transportation and Communications is just talking about ministers. I am talking about private members.

MR. MURPHY: That will be deducted tomorrow.

MR. NEARY: Well, I hope it will, because we should be ashamed of ourselves to have overlooked that significant point in the beginning. And I am not quite sure, and the minister is not quite sure whether the hon. minister is paying it or not.

MR. SMALLWOOD: Am I supposed to pay it?

MR. NEARY: The hon. former Premier is supposed to pay it, yes.

SOME HON. MEMBERS: No, no!

MR. MURPHY: He is over seventy-five.

MR. DOODY: He is over seventy-two.

MR. MURPHY: Over sixty-five.

MR. NEARY: Those over sixty-five do not have to pay.

Well, the hon. Premier just got under the wire. But all the other private members, I would say, have not gone done

Mr. Neary.

voluntarily to the School Tax Authorities and said, "Here is my \$75," especially those who have strong feelings on the School Tax Authorities.

MR. H. COLLINS: I am paying less than I paid before the School Tax Authority.

MR. NEARY: Well, in my case, it will be, let me see, about \$70 more in my case, because there are two paying in my family, and this is where the unfair part of it comes in. But I am not going to go through that argument again, because we have already debated that. And as Your Honour rightly pointed out, this is not the time to debate the pros and cons of whether we should go for direct taxation as opposed to the real property tax.

But I would like for the minister to tell us now if there are any difficulties in getting any of the employers, such as the employees of the federal government, the Government of Canada, if there are any difficulties at the present time in getting the payroll deductions and what percentage of the tax is presently being collected by the School Tax Authorities across this Province, especially the one here in the St. John's area?

Mr. Speaker, the only other significant thing there, I believe, is the lower of the exemption age from nineteen down to eighteen. I do not know what the significance of that is. Perhaps the minister might elaborate a little more on that. Those now who are nineteen are exempt from the tax. I presume now that those nineteen will have to pay the tax.

MR. HOUSE: Who are of age in the last day.

MR. NEARY: No. Lower the exemption age from nineteen to eighteen. Those eighteen years or younger will not have to pay. Those nineteen years and up will have to pay. Eighteen years and up will have to pay.

Mr. Neary,

But anyway, Mr. Speaker, it would be worth-while for the Minister of Finance to take a look at the members' pay cheques. The minister has a note. If it is forced out of me, it will be like extracting a tooth. The minister will have to take it out just like a dentist pulls a tooth.

MR. DOODY: One of the more pleasant episodes.

MR. NEARY: Well, maybe, Sir, but that does not mean that I agree with the tax,

MR. DOODY: It is \$3.20 every two weeks.

MR. NEARY: Every two weeks. Well we have to pay it in a lump sum, because we only have one more pay cheque coming, and that will be the balance of the sessional indemnity.

MR. DOODY: You may not get it. We are going to rate them on performance.

MR. NEARY: Rate them on performances. In that case, Sir, then I should get several ministerial salaries. I have logged a fair amount of time, I think, in this session of the House in Hansard. And if it is going to be based on performance, and attendance, then I would say that my salary should be increased substantially. But nevertheless, Sir, if the minister decides to take it, he will have to take it from all the other private members who are not presently paying the tax, who thought they were getting away with it.

MR. MURPHY: If you were paid by the word, you would have some salary.

SOME HON. MEMBERS: Oh, oh!

MP. NEARY: Some have paid.

MR. NOLAN: Some had more money.

MP. NEARY: Some have not got to pay. Well, the member for Twillingate (Mr. Smallwood) does not have to pay.

MR. NOLAN: A lot of others got away.

MR. NEARY: Well, okay, I will wait for the minister to get up and explain it to me, because we are living and working in the tax area and that is one of the stipulations, is it not? Either employed or residing in the tax area? But anyway I will wait for the minister's explanation.

MP. SPEAKER: The hon. member for Baie Verte-White Bay.

MR. RIDEOUT: Mr. Speaker, I have a few words to say on this particular bill. I think we find it fairly easy to agree with what the hon. gentleman from LaPoile (Mr. Neary) has said. Also, of course, we find it very easy to state our position on the bill because, Sir, our position on school taxes are quite well known in this Province. We are against it and that is that and we have made that known from way back in the past.

MR. MORGAN: You are against all taxes over there.

MR. RIDEOUT: Well maybe the hon. gentleman would be against all taxes too if he were on this side, and then he would be crying spilled milk out of the other hand. But that is not the case right now.

MR. MORGAN: We voted to pay equal taxes.

MR. RIDEOUT: We are not talking about gasoline tax right now, Sir, we are talking about school tax.

MR. SPEAKER: Order, please!

The hon. gentleman has the floor.

MR. RIDEOUT: All right. I would like to make a few points on a couple of the clauses in this bill. Clause No. 1 would lower the exemption age from nineteen to eighteen. The first question would come to my mind with regards to that particular case is that I understand now that as school taxes go you have to earn a certain level of income before you are liable for taxation. So if a fellow eighteen years of age works during the Summer and makes \$1,000 or \$1,200 and then

MP. RIDEOUT:

goes to Trade School or university during the Winter to further his education, is he liable for school taxes because he has earned above the maximum? I do not know what the maximum level is but I know there is some level.

MP. MARSHALL: I think he is well below the level.

MP. RIDEOUT: Well you know these are questions, I think, that should be asked and that is the first one that comes to mind with respect to that particular amendment.

The amendment with regards to property taxes, I believe it was only this past year that residents of Grand Falls were very much up in arms because the school tax had increased their property value very greatly. I think they had instituted a mil tax or something of that sort based on property value in Grand Falls to be paid to the school tax authority which greatly increased the amount of school tax that the residents of that area had to pay. So that is another problem relative to the amendments in this bill.

In Clause 2, section(b) there is a provision made to have the school tax deducted in installments from a person's income. This, of course, if it is done in proper installments could be okay, but if it is done in one slap, in which case I know it has been done in many cases, seventy-five or eighty dollars, whatever it is for the year and one week a person goes to get their pay check and they find that there is eighty dollars gone out of it, I do not think that is a fair and equitable way of collecting that tax. I think it should be done on an installment basis, maybe based on the income and the size of the family where if they have defaulted then five dollars should be taken this year or ten dollars or whatever the case is. To give the broad range of authority to the school tax to make a family suffer for a week, I do not think it is fair and I certainly cannot agree with the amendment in that sense.

I cannot see for the life of me why we should go about making a twelve per cent interest rate, or allowing School Tax Authorities to

MR. RIDEOUT:

charge a twelve per cent interest rate on delinquent accounts.

MR. NOLAN: A one hundred per cent increase.

MR. RIDEOUT: It is one hundred per cent increase from the previous act. I believe it was six per cent. Of course I think the rate is unrealistic. I do not think there should be any rate at all. Maybe if they have to go through a collection agency, or if they have to go through the courts and there is some cost incurred, well then the person who is supposed to pay the tax could probably be charged with paying that extra cost. But charging that extra twelve per cent - maybe School Tax Authorities would love our taxpayers to run out their accounts, not to pay up so they can get an extra twelve per cent off them. What is the purpose of the twelve per cent? Why should it be increased by one hundred per cent over the previous bill?

The last section, section 5, 42 (a) gives authority "that the Authority may grant an exemption or abatement from the school tax imposed on real property subject to the approval of the minister." I would like to know what grounds this approval would be given on. Would it depend on family income? Would it depend on the size of the family or what? What grounds would be used by the minister and, of course, by the School Tax Authority to give exemptions to people from paying the school taxes?

Number one, of course, to reiterate again, we are against the bill totally, but these are some of the objections that I could raise personally to a number of the clauses in it.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I know that second reading is permitted only to discuss the principle of the bill, and it frequently happens that it is difficult to find the principle of a given bill, and it frequently happens that there is more than one principle in it. There is a principle here in the final clause of sub-clause 42 (a), the very last sentence of the bill which says that "An Authority may grant an exemption or abatement from the school tax imposed on real property

MR. SMALLWOOD:

subject only to the approval of the minister."

Now I asked the Minister of Education a moment ago privately, what does the original Act say, the one which this present bill is to amend about taxing property. If this amendment be not adopted by the House, what may the tax in fact be on property? Now somebody mentioned the case of the oil refinery at Come By Chance and the minister made a quick computation for me and said that a School Tax Authority for the area within which the oil refinery stands could impose a tax of approximately \$500,000 a year. Now one looks at other industrial plants in the Province, the paper mill at Grand Falls, and the big industrial enterprise at Buchans, and the big paper mill at Corner Brook, and the big paper mill at Stephenville and so on and so on in the Province and apparently this House actually passed a law previously allowing a School Tax Authority to put these absolutely unbelievable rates of tax on the industries of the Province except, I suppose, in such cases - and there are such cases - where the legislature previously or subsequently exempted an industry from all but specific, specified taxes that were spelled out in the legislation in question.

What I wonder is why the government have not brought in an amendment, this one, perhaps, but this one greatly strengthened, not merely leaving the authority to the School Tax Authority, leaving them the authority to impose the tax and now giving them the right to exempt or abate a given industry with consent of the minister, which means consent of the government, of course. Why not amend the existing act putting certain limitations that apparently are not on now on the amount or rate of taxation or the amount of tax that can be levied or collected by the School Tax Authority on industries which are not already protected by statutory contracts that have been made with them as, for example, Bowaters in Corner Brook although I believe that their statutory exemption must have expired by now? They were exempt from Income Tax and the Government of Canada when Confederation came said, "Oh no, you do not. We are not paying any attention to that.

MR. SMALLWOOD:

They made Bowaters liable to the Canadian Income Tax Corporation Income Tax and they had to pay it.

MR. DOODY: They still do not pay it, sure.

MR. SMALLWOOD No, because they are exempted or they were exempted in the legislation, and they were exempted from Newfoundland government corporation income tax, and when the government of Canada decided that they were no longer going to permit Bowaters to be exempt from the federal corporation income tax, we refused. The Nfld. government refused point blank and we made our refusal stick. We would not do anything as a government that would involve our breaking our contract made by the previous administration, of course, with the paper mill company.

And so Ottawa had to do it solely on its own authority, without any supplementary legislation from us. But I believe that that is all now expired surely. Well there cannot be much time left because there was a time limit. Their tax concessions were to expire by a certain year. Now I think that -

MR. WELLS Sometime in the eighties.

MR. SMALLWOOD Oh no. No, no, no. I would have said it was in the late sixties. But that cannot be so if it is still on. So it must be the late seventies. But, however, I am only guessing and the Minister is only guessing. I think the government might very well consider the question of another amendment, limiting the authority of School Tax Authorities in the amount of taxation that they may impose upon industries which are the life blood of the province and which of course ought to contribute to the cost of education and to all other costs of government in the province, but which have been invited in and ought to pay a fair share of the burden of taxes in the province but ought not to be taxed at the rate, for example, of \$500,000 a year. Imagine a school tax authority having the right to impose that kind of a tax on the oil refinery, and a similar rate on the industry at Long Harbour, and a similar rate on all kinds of other industries which are the very life blood of the province. Would not the same thing apply to the fish plants in Grand Bank and Fortune and Burin and Marystown and at Trepassy and at Renew's? Would it not apply to fish ~~plants anywhere~~, everywhere in the province? Do they have the right to impose the same rate of property tax on the industries that they have

MR. SMALLWOOD on any small bit of property which might involve a tax of twenty, thirty, forty, fifty or even a hundred dollars a year. Have they the right to impose up to \$500,000, and if they have this amendment does not change that. All this amendment says is that the authority may if it wishes abate or even exempt a given industry. They may if they wish and then only with the approval of the government. But there is no obligation on them to do it, it is permissive only with the consent of the minister, whereas I think that perhaps the government might very well consider making it, if some formula, some fair and rational formula could be found making it mandatory on these School Tax authorities not to put excessive or exorbitant taxation on the industries of the province which are the province's life blood.

MR. SPEAKER hon. member for Windsor, Buchans.

MR. FLIGHT Mr. Speaker I have got a couple of observations that I want to make on this bill, this amendment. I think the amendment should have been the amendment that would have abolished the School Tax Authority not increased the powers of the School Tax Authority. However, that is not to be so. I am concerned, Mr. Speaker, about the School Tax Authorities having the right to payroll deduction and having the right to demand additional information. It is a fact in this province that a lot of people are questioning the vast amount of monies that go into the administration of School Tax Authorities. A fair chunk of the monies collected, supposedly for the purpose of administrating and operating the educational facilities of this province, is being chewed up by administration and in lots of cases there is duplication. Now Mr. Speaker, having the right to have payroll deduction in my mind just makes the work load a little easier.

They have the right now, I am aware of people who have been summonsed because they have been in arrears too long for School Tax Authorities, to please School Tax Authorities and we all know that when a person is summonsed in this province, then immediately the Magistrate issues a wage attachment and wage attachment suffices to get all the money that is owing once judgement is made. Additional information, Mr. Speaker, again what are the people who are earning great fat salaries and chewing up a lot of the money collected by school tax authorities doing for their pay?

MR. FLIGHT Do not the School Tax Authorities have adequate staff to get the type of information they need that would give them the right to do anything they need to do as a School Tax Authority. Why? are we giving them the right to go to employers and solicit additional information on the individual concerned? At what point will the invasion of privacy stop in this province or this country? And, Mr. Speaker, I want again to endorse my colleague from White Bay's concern that in the event of a payroll deduction, and I doubt if there will be very much opposition by the employers to deduct this money from the salaries, that I would like to think and I would like the Minister to assure this House that it will be done on fair and equitable installments, Sir, Fair installments and not jump the whole fifty dollars. There are a lot of people in this province who are subject to School Tax Authority that a fifty dollar deduction would cut very greatly into their month's budget, and I would like the assurance of the Minister that this would indeed not happen.

Again the twelve percent increase: This amendment, simply put, Mr. Speaker, is another way to squeeze a few more dollars out of the people of Newfoundland. For all the eloquent explanations of housekeeping and tidying and making this and making that, lowering the age to eighteen simply brings the people working at eighteen into the ranks of the people who can be taxed, And it is clearly nothing more than an effort to raise more taxes through the School Tax Authority. Nothing more or less than that. And the twelve percent was not needed, I would like to know what the anti-inflation, I do not know if you are subject to the anti-inflation.

MR. SPEAKER One word please. There is a self executing rule on Wednesdays with respect to six o'clock. Unless hon. members wish to not call it six then there is a self executing rule that the hon. member would not lose his right to speak. It is six o'clock. I will leave the chair until tomorrow Thursday at two.

Contents

| June 9, 1976 | Page |
|---|-------|
| Statements by Ministers | |
| Mr. Maynard made a statement on the report of the Buchans Task Force. | 10450 |
| Commented on by: | |
| Mr. Flight | 10451 |
| Mr. Smallwood | 10453 |
| Mr. Hickey made a statement on a program to encourage Newfoundlanders to vacation in the Province. | 10454 |
| Commented on by: | |
| Mr. White | 10455 |
| Mr. Murphy made a statement on application for increases in insurance rates and the date for hearings on the issue by the Newfoundland Automobile Insurance Board. | 10456 |
| Mr. Rousseau made a statement on a newspaper article attributed to Dr. Robert Middleton concerning aerial spraying of timber stands. | 10458 |
| Presenting Petitions | |
| By Mr. White in behalf of residents of Comfort Cove and Newstead asking that the road from Newstead to the Campbellton intersection be paved. | 10459 |
| Spoken to by: | |
| Mr. J. Winsor | 10460 |
| Mr. Morgan | 10460 |
| By Mr. Simmons, in the absence of Mr. Strachan, in behalf of residents of Nain asking that bulk fuel storage tanks be provided. | 10461 |
| Spoken to by: | |
| Mr. Goudie | 10463 |
| Mr. Neary | 10464 |
| Mr. Roberts | 10466 |
| Answers to Questions for which Notice has been Given | |
| Mr. Wells responded to a question asked earlier by Mr. Canning with respect to Provincial involvement in the Marystown Arena. | 10469 |
| Oral Questions | |
| Query as to whether Government will bring in legislation in respect of the emergency conditions anticipated by a shortage of water in St. John's. Mr. Roberts, Mr. Wells. | 10470 |
| Query as to when the report of the Buchans Task Force will be made public. Mr. Flight, Mr. Maynard. | 10471 |
| Reasons why the report should not be made public. Mr. Flight, Mr. Maynard. | 10471 |
| Pension increases. Mr. Neary, Mr. Doody. | 10472 |
| Query as to whether the minister might change his mind and increases be granted. Mr. Neary, Mr. Doody. | 10473 |
| Query as to whether an outside firm has been retained to prepare advertising material on the campaign to encourage Newfoundlanders to holiday in the Province. Mr. Simmons, Mr. Hickey. | 10474 |

Oral Questions (continued)

| | |
|---|-------|
| Query as to when the first advertisements of the campaign will appear. Mr. Simmons, Mr. Hickey, | 10475 |
| Budget for the program. Mr. Simmons, Mr. Hickey. | 10477 |
| Mr. Simmons expressed dissatisfaction with the answer and gave notice that he wished to debate it on the adjournment. | 10478 |
| Walk-out of workers at the Grace Hospital, and threatened walk-outs at other St. John's hospitals. Mr. Rideout, Mr. H. Collins. | 10478 |
| Contingency plans in the event the withdrawal of services spreads to other hospitals. Mr. Rideout, Mr. H. Collins. | 10478 |
| Garbage disposal. Mr. Callan, Mr. Peckford. | 10479 |
| Query as to why the present Administration ceased the manufacturing and distribution of incinerators. Mr. Callan, Mr. Peckford, Mr. Murphy. | 10480 |
| *Mr. Callan expressed dissatisfaction with the answer and gave notice he wished to debate it on the adjournment. | 10480 |
| Protection of the jobs of Newfoundlanders employed with Scrivener on the Health Sciences Centre Project in the event the management contract once held by that company is transferred to another corporation. Mr. Neary, Dr. Farrell. | 10483 |
| Query as to the necessity of bringing in an outside company on the project. Mr. Neary, Dr. Farrell. | 10484 |
| Query as to why the lowest bidder on the project to complete the Centre did not receive the contract. | 10484 |
| Query as to whether Newfoundlanders could not complete the project. Mr. Neary, Dr. Farrell. | 10484 |
| Dangerous section of highway on Topsail Hill. Mr. Nolan, Mr. Morgan. | 10486 |
| Possible re-opening of the refinery at Come By Chance. Mr. Callan, Mr. Wells. | 10487 |
| Report sought on the efforts to have the Federal Government assist financially in upgrading the Trans-Canada Highway. Mr. Neary, Mr. Morgan. | 10487 |
| Plans to make mandatory the wearing of seat belts in motor vehicles. Mr. Neary, Mr. Morgan. | 10488 |

Orders of the Day

Committee of the Whole

| | |
|--|-------|
| Resolution: That it is expedient to bring in a measure further to amend the Loan and Guarantee Act, 1957, the Act No. 70 of 1957, to provide for the advance or guarantee of loans to certain individuals and for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations. | 10490 |
| The Committee reported adoption of a certain resolution and recommended that a bill be introduced to give effect to the same. | 10524 |
| On motion, Bill No. 86 was read a first, second and third time, ordered passed and its title be as on the Order Paper. | 10524 |

| | |
|-------------------------------|-------|
| Second reading of Bill No. 71 | 10525 |
|-------------------------------|-------|

| | |
|-------------|-------|
| Adjournment | 10541 |
|-------------|-------|