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Speaker: Honourable Patrick McNicholas

Friday

2 May 1986

The House met at 10:00 a.m.

MR. SPEAKER (McNicholas):
Order, please!

Oral Questions

MR. TULK:
Mr. Speaker.

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

MR. TULK:
Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs (Mr. Ottenheimer). I might say that I am asking this in the unavoidable absence of my colleague from Naskaupi (Mr. Kelland) as I think the Speaker has been told. It concerns the NATO base at Goose Bay, Labrador.

Mr. Speaker, this development, if it were to come to Newfoundland, would mean a great deal of jobs for Newfoundland, millions of dollars into the the Goose Bay economy in particularly and the Newfoundland economy as well. It will be, if I can use quotation marks, "a political decision." I would like for the minister to tell us if he is aware of, and presumably he is aware of, any discussions that might have been going on through External Affairs, or wherever, from this government to the federal government and bring us up to date on what the status of that process is right now. Are we about to see NATO come into Goose Bay or are we indeed going to see them go to Turkey?

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

MR. OTTENHEIMER:

Mr. Speaker, as hon. members are aware the project to have a NATO base for the training of low-level flying is a matter which is obviously supported by the federal government and supported as well by the provincial government. But quite distinct from that, during the past few years there has been an increase in training activity by a number of countries, like the Netherlands, West Germany and the UK, which have been using the base to an increasing extent with respect to training. Now the position, of course, is that NATO would officially adopt Goose Bay as their official base for low-level flying. There is no difference of opinion between the federal government and the provincial government; the federal government obviously supports it, the provincial government does as well. When the hon. gentleman says, 'Will it be, in quotes, "a political decision"?' in the final analysis it will be, yes, "a political decision", but at the NATO level.

MR. TULK:
That is what I mean.

MR. OTTENHEIMER:

He is quite right in saying that the other contestant, the other country contesting, wishing to have the training base there, is Turkey. I do not anticipate that a final decision will be made - it is difficult to say; obviously it is a matter outside of Canada's hands when the final decision will be made - but probably not before late into this year. My understanding is that Canada does have a very good chance of getting that designation but it is in the final analysis, of course, outside of Canada's hands because it will be decided by NATO. It will be a

political decision in that context.

MR. TULK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, whether it is false or not, there seems to be some increasing feeling that Turkey, the other contestant for that NATO base, may very well be winning the war, if I could put it that way, the fight - competition is perhaps a better word - to get that base rather than Newfoundland and Labrador. I would like to ask has the minister become aware of an increasing feeling in that regard that indeed the thing may be swinging towards Turkey rather than towards Canada? And I would ask him also, Mr. Speaker, if he would table any correspondence, minutes of meetings or whatever that he has had with the federal government, I presume with the Minister of External Affairs (Mr. Clark) as the Intergovernmental Affairs Minister here, to show that indeed the Government of Newfoundland is pushing the federal government to push in the international world for that base to be located in Goose Bay, Labrador?

MR. SPEAKER:

The hon. the Minister of Intergovernmental Affairs.

MR. OTTENHEIMER:

Mr. Speaker, to the first part of the question, it is certainly not my view that Turkey is winning, if you wish, that contest between Turkey and Canada to have this training base which, of course, will bring tens of millions and over the long run hundreds of

millions of dollars into the economy and which will generate very, very significant employment opportunities and opportunities for all kinds of economic activity.

I do not think that is the case at all. A few months ago a number of NATO officers who visited Goose Bay also visited St. John's for a while, and the Premier and I and other ministers met with them. There was another group of NATO officers with whom we are in contact and who are expected to be in the Province within the next several weeks. The federal government is pursuing all of its avenues and the provincial government is totally supportive of the federal government and we are also, in conjunction with them, doing everything appropriate hopefully so that the decision will be made in favour of Canada and, of course, being made in favour of Canada it is made in favour of this Province.

Certainly the Department of External Affairs has an involvement. If you wish the lead department, I suppose, certainly on the front line federally with this, is the Department of National Defence, and there has been close liaison in that. The liaison has not been of the kind, if you wish, of official meetings where minutes are taken but has been in terms of correspondence and in terms of discussion. I would be pleased, on a private basis, to outline to the hon. gentleman matters which have been discussed, but I do not think it would be appropriate to table what would be correspondence between two governments. That may not be appropriate, but I will certainly brief him on the direction in which it is going. To conclude, I think Canada and

the Province are doing everything possible to bring this to an affirmative resolution which will be to the benefit of the Province.

MR. TULK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. member for Fogo.

MR. TULK:

Mr. Speaker, there are two things that I would like to ask the minister and I can put the two questions in one. Our position is quite clear on this. The member for Naskaupi (Mr. Kelland), in a letter, which has some confidential information which I will not reveal, to the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward) made our position clear in that we support the establishment of that base. But there seems to be within the Province, as the minister is well aware, some conflict between the Native peoples in Labrador and I suppose what you would have to call the rest of us in the Province.

MR. WARREN:

Some Native people.

MR. LUSH:

Well, some Native people, and those people are pursuing their goal of stopping that base from coming to Labrador. I would ask the minister what does he hope to do or what has he done to try to bring both sides, if you will, together? I would also ask him, in the same question, if he would agree, since it is important to us to present a unified front to the federal government, to at least for all of us to be on the record, if he would agree to an all party

resolution on how we feel in this Province about the negotiations to get that NATO base and to send that resolution, of course, to the federal government showing our position.

MR. SPEAKER:

The hon. the Government of Intergovernmental Affairs.

MR. OTTENHEIMER:

Mr. Speaker, certainly, dealing first with the latter part of the hon. member's question, I think it would be very advisable to have an all party resolution. That is something we can discuss and come to an agreement on on the wording. Certainly it would be worthwhile pursuing.

The hon. gentleman referred to the fact of a certain amount of opposition to this concept, and obviously that is true. I think that is limited to a certain number of Native people, and a certain number of people who are not Native people pacifists who are against any form of military activity. Goose Bay, first of all, does not come within the nuclear area. Canada is in NATO. There will also be a training base for low level flying by NATO. It is not a case of if it is not built here it will not be built at all, it will be. So, you know, these are given facts. Canada is in NATO and NATO does intend to have a low level training base. These are facts.

Certainly such a resolution could be very beneficial. It is something that I will discuss with the hon. member who represents, apart from his constituency, the NDP Party, and then see if that would be feasible. Perhaps, also in line with that, I will undertake, sometime probably

within the next week, maybe in terms of a Ministerial Statement, to give an update on the process which is now in place.

MR. SIMMONS:
Mr. Speaker.

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

MR. SIMMONS:
I have a question for the Government House Leader (Mr. Marshall). The offshore industry people have again stated their concerns about the anticipated downturn, from their viewpoint, in exploration and what it will do to their economic fortunes, to their companies' fortunes. Does the minister still feel, as he did some time earlier, that perhaps these companies are overreacting? More to the point, does he have something to say that might reassure them that exploration in 1986 - 1987 will be at the level of the past two or three years?

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

MR. MARSHALL:
Mr. Speaker, I want to make it quite clear that the government, of course, can understand the concern expressed by the offshore operators. But, yes, I do feel and have suggested that the public statement that was made by the Board of Trade and the offshore operators was perhaps overreacting a bit to the situation. We have four rigs out there now and those four rigs certainly will be there until the end of this year. That is not a marked decrease in the amount of exploration offshore. Coupled with that we have the fact that we have an extremely good

prospective area, and this statement has been heightened over the past Summer as a result of the three additional significant discoveries. I think the hon. gentleman will concur with the fact that exploration is going to occur in such places where there are the greatest prospects of making a find.

Then, on the other side of the coin as well, the other element that comes in that there has been the change, as the hon. gentleman is aware, in the National Energy policy, where Petroleum Incentive Payments have been replaced by tax incentives, and that is going to take a while for the companies to to. So based on all of those factors, and I think primarily the prospectiveness of the Newfoundland offshore, I think it may have been overreacting a bit. But I can always sympathize with companies who any kind of downturn, temporary or to any degree, particularly in a Province where we are struggling to maintain the highest of economic activity. However, having said that, yes, I do believe they were overreacting somewhat.

MR. SIMMONS:
A supplementary, Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. member for Fortune - Hermitage.

MR. SIMMONS:
Some weeks ago in the House the Premier indicated we had a fairly narrow window. I think he said that we would have to have an agreement with the federal government and the operators in terms of the tax regime by the end of May to allow the project to go forward on schedule. Would the minister confirm whether that is

still the case or that is still the window they are dealing with? And, in particular, will he indicate to the House whether the schedule for Hibernia is in any way under threat because of the present state of negotiations?

MR. MARSHALL:
Mr. Speaker.

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

MR. MARSHALL:
There is no present threat to the scheduling of Hibernia. As the hon. gentleman is aware we, as a matter of fact, are having intensive discussions with the federal government and with the Mobil partners with respect to the fiscal regime. The board is dealing with the development plan. Actually, there is a meeting going on today with respect to it. There are meetings next week with officials and various members of the board and what have you, so it is still going on.

The hon. gentleman refers to the Premier's statement. I think the Premier made it in the context that if we could get a release by the end of May or the early part of June, we had a greater prospect of more activity this year than we would if the release were later. But the fact that if it is not released by the end of May does not necessarily put the project in jeopardy.

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

MR. FLIGHT:
Mr. Speaker, my question is for the Minister responsible for

Housing.

As the minister knows, we are now into the construction season. Hundreds of Newfoundland families and applicants have been waiting to have their RRAP applications approved and funds made available so that they can start much-needed upgrading and repairs to their houses. The bulk of these applicants, as he knows, are in the lower and fixed income groups. When will the RRAP funds indeed be made available to the councils and other sponsoring bodies so that the funds can, in turn, be made available to the people who so badly need them?

MR. SPEAKER:
The hon. the Minister of Mines and Energy.

MR. DINN:
Mr. Speaker, I thank the hon. member for his question and his concern. The hon. minister and many other members on this side of the House, as a matter of fact, the member for Grand Falls (Mr. Simms) and my colleague here, the Minister of Consumer Affairs (Mr. Russell), have been talking to me about the release of the RRAP funds. I am pleased to announce that the RRAP funding this year has been increased to the tune of about 47 per cent. We will have \$15 million that we will spend in RRAP funding this year compared to the \$8 million that we had last year and less than that the year before. We are, as a matter of fact, on a downward slope with respect to RRAP. But we have concluded a global agreement with the federal government. My counterpart, the hon. Bill McKnight, has agreed to increase the RRAP funding and make it universal throughout the Province. As the hon. member knows, RRAP

funding was not available to certain areas of the Province. It is now universal. It is available to anyone in the Province. The funding is increased. Much of it is rural. We will be spending \$15 million on RRAP funding this year. The global agreement is signed. We will be signing the operating agreement for RRAP funding in the next week or so. When that is done and when we approve the funding here in the House of Assembly, then the funding will be released.

MR. FLIGHT:

Mr. Speaker, a supplementary.

MR. SPEAKER:

A supplementary, the hon. the member for Windsor - Buchans.

MR. FLIGHT:

Mr. Speaker, it is good news to hear of the increase but as the minister knows hundreds of applicants last year did not receive funds. Of course there are many, possibly thousands, in the Province who have submitted new applications. Would the minister care to inform the House as to whether or not he believes that the new funding will make it possible to fund all the applications that were rejected last year simply due to a lack of funds and due to cutbacks, as well as taking care of the new applications coming in?

MR. SPEAKER:

The hon. the Minister of Mines and Energy.

MR. DINN:

Mr. Speaker, as the hon. member knows, the previous funding arrangements that we have had with the federal government were not very flexible. We are hoping that the new operating agreement with

the federal government, when we get it signed, will be more flexible so that more people will be eligible. We are hoping to have almost a three-tier system, one being ones where you need minor repairs - a porch, windows, that kind of thing - to the total upgrading situation and we are also hoping to get an increase in the present level of funding of \$10,000. We are hoping to get that increased in the operating agreement. These are some of the negotiations that are going on right now. We hope to have them signed, as I said to the hon. member. It is not just that one agreement, there is the RRAP, the rural and remote housing, the subsidized housing that you have in the urban areas, and so on. All of these agreements are now into negotiations and, as I said, we hope to sign them within the next week.

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Windsor - Buchans.

MR. FLIGHT:

Mr. Speaker, I have two questions here and I will try to put the two of them into one final supplementary.

Would the minister indicate if the ratio, the \$5,000 grant with a \$5,000 loan, is going to be the same this year as other years? Would the minister also indicate whether he is prepared to look at the applicant's ability to receive these funds? Hundreds of Newfoundlanders have been rejected for RRAP loans because of a bad credit rating, but the fact is that in lots of cases that particular credit rating was a

result of things that happened twenty years ago. The fact that a person had developed a bad credit rating twenty years ago is now on the record, the Credit Bureau shows it, and then Newfoundland and Labrador Housing say they cannot fund that application because of the credit record, but the housing need is just as bad. A family depends on the housing, but because the head of the family may have developed a bad credit rating twenty years ago he is still being rejected for RRAP funds. So would the minister indicate as to whether he is prepared to look at that aspect of RRAP funding?

MR. SPEAKER:

The hon. the Minister of Mines and Energy.

MR. DINN:

Mr. Speaker, I am not aware that there is a huge amount of people who have bad credit ratings who are not eligible for RRAP funding. But I tell the hon. member that if he has a particular constituent or a particular application that is in for RRAP funding that he seems to be having trouble with, then if he will just forward the application to me I will intercede on his behalf and on his constituent's behalf to see what, if anything, can be done with respect to that application.

MR. FLIGHT:

What about the ratio?

MR. DINN:

One of the things we are negotiating, Mr. Speaker, in the operating agreement is the ratio of funding and how high we can go with the funding. In other words, we are hoping to have the grant portion increased somewhat.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you, Mr. Speaker.

My question is for the Minister responsible for Energy, if I could have his attention? My question is on the Annual Report of Newfoundland and Labrador Hydro which was tabled yesterday in the House. As everybody knows last year and the year before we ran into some very high electricity bills, especially in the Winter of 1984 and in the Spring of 1985. At that time people had to pay enormously higher bills. Given that that is the situation it seems appropriate that the electricity company should have taken less.

My question to the minister is, given that the profits for Newfoundland and Labrador Hydro this year look to be about double the profits for 1980, 1981, 1982, or 1983, could he explain why our electricity company, Newfoundland Hydro, is making profits about twice its average over the last five years when in fact everybody else in the Province was paying enormously high bills to it? Were they gouging us while they were doing it?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, nobody is gouging anyone. The hydro rates are paid this year on a steady basis which is an average rate set by the rate stabilization fund. Any credit that results in that accrues to

the people of the Province of Newfoundland in the fund itself. As far as the profit of Newfoundland and Labrador Hydro is concerned, the hon. gentleman can read the balance sheets and see a profit, but in fact there is no profit in the sense that an ordinary corporation makes a profit. The fact of the matter is that there has to be, in order to have Newfoundland and Labrador Hydro, this Crown corporation on a firm and stable basis, a certain amount of interest coverage that is required by the bond houses which is an amount of money over and above the actual operating costs in order to secure the bond rating. But that money is not taken in by government at all, it is not taken into government and it finds its way eventually into the pockets of the consumers.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Menihek.

MR. FENWICK:

If that is the case, then we should not see vast increases in the retained earnings. My question to the minister is this: Why on page 20 of the annual report do we see the retained earnings at the beginning of 1984 at \$117 million and now at the end of 1985 they have escalated up to \$197 million, almost 100 per cent increase in retained earnings? If they are not taking this money from us, who, in God's name, are they taking it from?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, first of all, if the hon. gentleman wants to examine and ask questions about the financial statements of Newfoundland and Labrador Hydro, I would be happy to respond to them. But I suggest any questions of a detailed nature would be more properly place on the Order Paper. The fact of the matter is, as I say, any increase in the balance sheets themselves should not be attributed as being a profit of Newfoundland and Labrador Hydro in that Newfoundland and Labrador Hydro is taking money from the people of this Province and making a profit. What happens with each and every cent that is gained from the people of the Province of Newfoundland is it finds itself, if there is any surplus, back in the pockets of the consumer.

The fact of the matter is, if the hon. gentleman wants to look at the other tables in the financial statements, he will see just how efficient Newfoundland and Labrador Hydro operates. There is a very, very low proportion of operating expenses. All the rest of the money is used for the purpose of paying of interest expenses and hydro developments that have been installed or for the purchase of oil where oil-fired generation is necessary.

MR. FENWICK:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Menihek.

MR. FENWICK:

If that is the case, why do they say on page 13, "However, the prime increase in revenues from these customers was because of increased fuel escalation charges

related to production increases from oil fired generation"? It seems to me that that is where their profits came from.

MR. MARSHALL:

What page?

MR. FENWICK:

Page 13 under revenue. "However, the prime increase in revenues from these customers -

MR. SPEAKER:

Order, please!

This is a final supplementary. Would the hon. member please pose his question?

MR. FENWICK:

Yes. My question is: If that is the case, then why does Hydro itself say that its increased revenue is coming from the increased money it charged through the increased cost of oil adjustment charges?

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, any increased revenues, as I say, to Hydro that come from those operations will end up in the rate stabilization fund and it is averaged out. I would suggest to the hon. gentleman that you can make anything with respect to figures as the hon. gentleman knows. The fact of the matter is that of the monies that come in, if there are any in excess of the expenses of Hydro, that ends up going back into the pockets of the people through the rate stabilization fund. But, as we indicated in the Resource Estimates Committee, and we have explained over and over again, it is in 1987 that that is

going to be levelled out, if, in fact, there is going to be any levelling out, because at the present time there is a deficit in that particular fund.

MR. W. CARTER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

My question is to the Minister of Fisheries (Mr. Rideout), Mr. Speaker. Mr. Speaker, yesterday in the course of the adjournment debate the minister announced that the Russian quota in area 3NO, I think it is 2,500 metric tons, has been negotiated and will revert to NAFO countries, including Canada. In light of the government's announced intention to establish a mid-distance fishery, in view of the fact that we have a large number of boats, sixty-feet and over that are capable of prosecuting that fishery, is the minister able to tell the House now if he has recommended or will he recommend to his colleague that that Russian quota be made available to the Newfoundland inshore fleet boats that are capable of prosecuting the fishery, the boats, for example, from Port de Grave?

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, the hon. gentleman will recall from the Committee yesterday morning, and I believe in a similar question in the House of Assembly yesterday afternoon, I have already indicated publicly

that one of the reasons why this Province was supportive of trying to access some extra stocks in 3NO was for that very reason, to be able to provide a quota for vessels in that zone less than sixty-five feet. So the answer is yes.

MR. W. CARTER:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, again on the same matter, yesterday the minister offered to have an investigation undertaken into the allegation that Nova Scotian vessels were seen fishing in the same area. Would the minister now undertake to contact the federal authorities with a view to having any proposed charges laid against the Port de Grave boat dropped pending the outcome of that investigation?

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

I did say yesterday that I would investigate the allegations that were made both in and outside the House that only boats owned by Newfoundlanders but skippered by Nova Scotians were being harassed by federal surveillance forces in 3NO. We have attempted to do that since yesterday, and I can only report what I am told. I was informed this morning, just before coming to the House that that has been categorically denied by federal surveillance officials.

MR. W. CARTER:

Oh!

MR. RIDEOUT:

There is no point of ohing to me, Mr. Speaker, I am only reporting what I am told.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. RIDEOUT:

It makes a nice oh, Mr. Speaker. I was just answering the question.

MR. SPEAKER:

Order, please!

MR. RIDEOUT:

Federal surveillance officials have informed us that they have their surveillance patterns before they go out to do their two weeks or three weeks on their course, whatever it is, and whatever vessels that they might run into that appear to be in contravention of the law in that particular course, whether it is a foreign vessel or a vessel from Nova Scotia or a vessel from Newfoundland, the same action will be taken with all vessels. So they report to us.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, my question is to the Minister of Fisheries. There was a report done on the MV Keltic in 1983-84 where two options were studied. One option was for the middle-distance fleet, and the other option was for the fifty-five to sixty-five feet

category, and it was recommended at that time, because of the excessive number of fifty-five to sixty-five foot boats around the Province of Newfoundland, that these boats would be given preference and a study would be done on making those boats equipped to fish offshore more than the middle-distance boats. Would the Minister of Fisheries explain why he has put more concern on the middle-distance than he has on our own boats of fifty-five to sixty-five feet?

MR. SPEAKER:

The hon. Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, it is some hard to keep up to him but I hope I got the gist of the question.

MR. EFFORD:

You did get the gist.

MR. RIDEOUT:

The fact of the matter, Mr. Speaker, is that if the hon. gentleman wants to give accurate information to the House, to his constituents and to the people of Newfoundland and Labrador he would say that the Keltic report was based on an experiment carried out in 2J3K1 and it has been the experience of everybody that we can lay our hands on -

MR. TULK:

It was done on ENO.

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. RIDEOUT:

The Keltic experiment was based on fishing in 2J3KL, so the hon. gentleman in posing that question

is saying to me that those vessels should be fishing in 2J3KL. Mr. Speaker, those vessels can fish all they like, every day, every week, every month, all year long in 2J3KL without any restriction. If that is what the hon. gentleman is saying, Mr. Speaker, we are totally on side.

MR. MARSHALL:

On a point of order, Mr. Speaker.

MR. SPEAKER:

The hon. Government House Leader.

MR. MARSHALL:

Mr. Speaker, this is Question Period, it is not a shouting match. The hon. members for Fogo (Mr. Tulk) and Windsor-Buchans (Mr. Flight) are continuing to shout when a member is making a response, and all the rest of it. The rules require them to keep quiet when a member is responding.

MR. SIMMONS:

To that point of order, Mr. Speaker.

MR. SPEAKER:

The hon. member for Fortune-Hermitage.

MR. SIMMONS:

Mr. Speaker, to the credit of the minister who just spoke, he was laid back and low-key this morning, as was his seat mate from Waterford-Kenmount (Mr. Ottenheimer), as was every other minister. It was only when my very good friend for Baie Verte-White Bay (Mr. Rideout) got up that he kind of blew a gasket, and it kind of disappointed me because he was shouting.

MR. RIDEOUT:

I was trying to answer the question.

MR. SIMMONS:

There is what I mean, Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. SIMMONS:

We just appeal to him, it is Friday morning, we are all trying to get ready for a long weekend, so the minister should just give intelligent answer. The volume he turns on does not improve the quality of the answer, I say to him.

MR. SPEAKER:

To that point of order, all hon members know that when a member is standing speaking he should be heard in silence. It is impossible to be absolutely, 100 per cent strict on that, but howling and trying to shout down another member does not achieve anything and certainly will have to stop.

The time for Oral Questions has now elapsed.

I would like at this stage to welcome to the Visitors' Gallery seventy Grade IV students and ten parents from Topsail Elementary School, with their teachers Audrey Newbury and Esther Haynes.

SOME HON. MEMBERS:

Hear, hear!

Presenting Reports by
Standing and Special Committees

MR. J. CARTER:

Mr. Speaker.

MR. SPEAKER:

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

MR. J. CARTER:

Mr. Speaker, the Standing Committee on Social Services reports having considered the matters to it referred, having approved the estimates of expenditure of the Departments of Health; Justice; Education; Environment; Social Services; Culture, Recreation and Youth; and Career Development and Advanced Studies.

Answers to Questions
for which Notice has been Given

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER:

The hon. Minister of Consumer Affairs and Communications.

MR. RUSSELL:

Mr. Speaker, a few days ago the hon. member for St. Barbe (Mr. Furey) raised a question about the possible hazard of certain electric oil-filled radiators. I indicated to him at the time that it had not been brought to my attention, and subsequently the member for Gander (Mr. Baker) asked me what the system was in terms of making me or my department aware of these things?

The only written information we get with regard to potentially hazardous products is if Consumer and Corporate Affairs Canada put out a bulletin and then, of course, copy their counterparts in the provinces. In this case, Environment Canada picked it up and they issued a bulletin, I think, to their counterparts in the Province.

I have had an opportunity to look into this as I promised the hon.

member I would and, if the House will permit me, I am making a press release today and I would just like to give the gist of what the information is that I have obtained; it answers the hon. member's question, as well.

These electric oil-filled radiators are sold under the brand name of De'longhi Canada. One, and I emphasize Mr. Speaker, at this point in time, as far as I know only one of these electric heaters was found by Environment Canada to contain hazardous PCBs after springing a leak. This leak was not found to be a pure PCB concentration, however, it is considered to be a serious level of contamination. It is suggested that owners of these heaters should immediately disconnect them and either store them or return them.

Sears Department Store in St. John's, for example, has sold approximately twenty of these radiators, and they are accepting the return of these heaters because the company De'longhi has voluntarily put out a recall on them.

So I am really advising consumers to be cautious of these heaters and any other products, and certainly they can contact any of my regional offices to get pre-purchase information about them.

MR. TULK:

Give 'Furey' your salary.

MR. RUSSELL:

I do not need to give 'Mr. Furey' my salary, Mr. Speaker. Maybe the highest paid Opposition House Leader in Canada can give him part of his.

MR. TULK:

I will, if you give him part of yours.

MR. SPEAKER:

Order, please!

Petitions

MR. WARREN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Torngat Mountains.

MR. WARREN:

Thank you, Mr. Speaker.

I rise to present a petition on behalf of 116 residents of the Town of Rigolet in my district.

The prayer of the petition reads as follows: "Whereas Rigolet School lacks a gymnasium and is therefore one of the few, if not the only school that does not have this much needed and essential facility and our children are entitled to such a facility in their education as other children, therefore, we, the undersigned, do hereby demand that our MHA give the appropriate representation for and on behalf of the community of Rigolet, that a gymnasium be a priority for the Northern Lights Academy of Rigolet.

Mr. Speaker, I have no problem supporting this petition. I think every student in the Province, whether they are from Topsail Elementary or whether they are from Rigolet, Labrador, should have facilities where they can enjoy extra-curricular activities, such as gymnasium activities and sports, volleyball, basketball, floor hockey and what have you.

If you visit the school in Rigolet, you will see that the only place those children can play in the Wintertime is out on the harbour ice, and the only place they can play in the Summertime is on the little paths or roads, which are not even passable roads, in the community. There are no facilities whatsoever; there is no outdoor playground, there are no indoor facilities. This is not a big request. They are asking that some kind of gymnasium be built onto their school to assist them in their educational and extra-curricular activities.

I might add also, Mr. Speaker, that representatives of the Department of Rural, Agricultural and Northern Development and the school board are going into Rigolet on Monday to meet with the concerned people in Rigolet concerning a gymnasium for their school. I will do what I can, as their elected representative, with the various departments of government, with the school board and with the IEC, to see that that is the next priority. Of first priority on the Labrador Coast at the present time is the completion of the all-grade school in Main, and that is supposed to be finished and opened this Fall. Hopefully they will look very seriously toward building a gymnasium for the people of Rigolet so their children can enjoy what many other children in the Province enjoy, and that is a gymnasium.

MR. SIMMONS:
Mr. Speaker.

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

MR. SIMMONS:

Mr. Speaker, I take great pleasure in supporting the prayer of the petition so ably presented by the gentleman from Torngat Mountains (Mr. Warren), pleasure, because it was he who presented it and I always like to support his efforts to bring about improvements in his communities along the Coast of Labrador; pleasure in supporting it, also, because I recognize the particular need to which the petition draws attention, the need for adequate facilities for students to pursue co-curricular activities.

I just wanted to say to him, the gentleman who just presented the petition, that now that he is over on that side of the House, one of the things he should do when he is lobbying with the various departments of government, is do a little lobbying at the political level. Because despite the great transformation that his migration from this side of the house to that side has caused, bringing untold new benefit to the people of the Coast of Labrador, there is one area in which he has not made a dent yet. Ever since he has been over there, and it seems like a millennium, we miss him very much, the amount for school construction, and hence, construction of gymnasias, has not increased, it is still \$20 million a year, though we have had the effects of inflation. I would say to him that perhaps the most practical thing he could do -

MR. WARREN:
How about the (inaudible)

MR. R. AYLWARD:
He will get it ready for you.

MR. SIMMONS:
You now see illustrated, Mr. Speaker, why that member is not

going to get a gymnasium. He gets up and in one mouthful he makes a heartfelt petition to have something done about it, and then he comes up and coaches the minister, who is going to respond to me, in what to do to undermine the argument I am making in favour of his cause. Now, Mr. Speaker, undermine all they will, I say the serious solution to the problem is for the government to recognize that school construction costs have gone up over the past four years and instead of freezing the amount at \$20 million, they ought to increase the amount to take into account the particular need that the gentleman talked about, and that the Minister of Education (Mr. Hearn) talked about yesterday, where he said it would take \$100 million to address those kinds of needs throughout the Province.

Mr. Speaker, \$100 million, in the context of the kind of money this government is spending, is not a lot of money. Let them put in a little bit each year. He would do more service to his constituents in Rigolet and throughout Torngat Mountains if he stopped being the apologist for an unpardonable sin that this government is committing on the children of this Province and started speaking up like the independent he used to be before he got used to wrapping his thirty pieces of silver.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, I would like to say a few words in support of the petition so ably presented by my

colleague, the member for Torngat Mountains (Mr. Warren). I will try to contain my remarks to the prayer of the petition, rather than get involved in the partisan kind of little game the hon. member for Fortune - Hermitage (Mr. Simmons) has been trying to play in trying to score some silly political points against the member.

The member for Fortune - Hermitage talks about the member's ineffectiveness in trying to get these kinds of facilities in Labrador since he came over to this side. I would like to point out to the the hon. member that one of the largest gymnasiums built in this Province in the last few years was built in the community of Nain. That is a \$5 million gymnasium and that was built, if my memory serves me right, after the hon. member came over to this side of the House, after the hon. member made representation to get facilities like that put in that area of the Province. That, I think, should deal with that particular point.

MR. SIMMONS:

Your memory serves you well.

MR. SPEAKER:

Order, please!

MR. SIMMS:

Now I did not interrupt the hon. member, Mr. Speaker. I only have five minutes to speak. The hon. member should not try to take up my time in speaking on this particular petition.

Mr. Speaker, I have had some experience in the Department of Recreation, being a former minister. I have had experience on the Coast of Labrador, having been in a number of communities in

Labrador. If there is one place in this Province, I suppose, where that kind of basic necessity is needed, it has to be the Coast of Labrador without any doubt, without any question whatsoever. Mr. Speaker, a couple of years ago this government introduced and supported considerably, in a financial way, the Labrador Games which now, I think, have been held twice. Mr. Speaker, those young people from the Coastal part of Labrador, in particular, if you could see their eyes when they attend and participate in those games, it would really make you feel for them. So it is another reason, I think, that this kind of facility, a basic facility such as gymnasium, should be provided.

I have no trouble supporting the 116 petitioners on behalf of the seventy-odd students. Knowing full well that the member for Torngat Mountains has had so much success in the last few years, since he joined this side of the House, vis-a-vis the gymnasium in NAIN, I would not be at all surprised if the member for Torngat Mountains is successful in the pursuit of this aim and this goal. I do not know the best way to do it, because it is a bit of a complex situation, but knowing the talents, the exceptional kinds of talents the Minister of Education has, and the exceptional kinds of talents the Minister of Rural Development has, and the truly exceptional kinds of talents that the member for Torngat Mountains has, I would not be at all surprised if the people of Rigolet will, sometime in the near future, see this basic goal reached without too much difficulty.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
Are there any further petitions?

MR. BLANCHARD:
Yes, Mr. Speaker.

MR. SPEAKER:
The hon. the Minister of Labour.

MR. BLANCHARD:
Mr. Speaker, I rise to present a petition which has been signed by 970 residents of my district of Bay of Islands, primarily residents of the North shore of the Bay of Islands.

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

MR. J. CARTER:
This is ridiculous.

MR. SPEAKER:
A point of order, the hon. member for Fortune - Hermitage.

MR. SIMMONS:
The gentleman for St. John's North says it is ridiculous. I am now about to do exactly what he did yesterday, and that is to enquire of the Chair and of the House as to whether now this is a filibuster? Because yesterday, as soon as we proposed our second petition from this side, we were accused of filibustering. I just want the House to note that petitions from our view are an important part of this House and we are prepared to allow them to go forward, but we deserve the same treatment when we are putting petitions; we deserve the same protection from the Chair and from this House.

MR. SPEAKER:
There is no point of order.

The hon. the Minister of Labour.

MR. BLANCHARD:

Thank you, Mr. Speaker.

As I was saying, Mr. Speaker, when I was rudely interrupted by the member for Fortune - Hermitage, the petition has been signed by 970 residents of primarily the North shore of the Bay of Islands. The prayer of the petition is, Mr. Speaker, 'We, the undersigned, hereby support Mr. Byron Brake in his endeavours to establish a twenty-one bed senior citizens guest home at Meadows, Bay of Islands. There is a dire need for such a facility in this area and a licence should be granted to the proponent of this project immediately.'

Now, Mr. Speaker, I would like to point out that this petition has not only the support of the 970 people, which is a considerable number of people, who have signed that petition, but it also has the support of the Anglican Parish of Meadows through its rector, the Reverend Donald S. Morgan. It also has the support of Reverend Edward House, who is the chaplain of the Interfaith Home in Corner Brook, and he is also Secretary of the Pastoral Care Committee. It has the support of the West Newfoundland Local Employment Assistance and Development Corporation, and it has the support of the very important, Mr. Speaker, Western Memorial Hospital Corporation through its administrator. They feel that there is a real need for this type of facility in the Bay of Islands area, Mr. Speaker. They feel that at the hospital acute care beds are being taken up by chronic care patients, and a facility such as this to accommodate those patients would be far less expensive to the government.

Mr. Speaker, needless to say, I strongly support this petition. I have indicated my support over the past year that I have been representing the district of the Bay of Islands. I have been in contact with the Department of Health, Mr. Speaker, and indicated that support. There is a demonstrated need for such a facility. I respectfully request my colleague, the hon. the Minister of Health (Dr. Twomey), to give this petition immediate and careful consideration.

In considering the application, Mr. Speaker, I would ask my colleague, the Minister of Health, to take into careful consideration the fact that Mr. Brake has been seeking an application to operate this senior citizens boarding home for upwards of two years now, and I would respectfully request that very careful consideration be given to this application.

MR. SPEAKER:

Are there any further petitions?

DR. TWOMEY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Health.

DR. TWOMEY:

Thank you, Mr. Speaker. I wish to thank the hon. minister for his clear and succinct presentation about that petition. We, in the Department of Health, are very cognizant that we have to expand our licensed boarding homes outside St. John's and hopefully cover all areas in the Province where now there appears to be a deficit in that particular type of special service that is necessary for those who need a little bit more than the home care they are able to get in their particular

homes.

As you know, and as all members of this House know, there has been a special recommendation from the Royal Commission that we expand these licensed nursing homes all over the Province. At the present time, there are over 300, I believe 350-odd, requests that we license these boarding homes. A report is due in very shortly on the requirements of the Province, and that includes Labrador. There are many, many areas of the Province that have no nursing homes, or such facilities, and we are anxious to meet the requirements of these particular areas. We have allocated money this year to open new beds. That we intend to do, but we intend to do so on the advice and recommendations of a group who have specialized knowledge in this field. That group have being commissioned by the Department of Health. They do not have headquarters or an office in the Province of Newfoundland, and it was our intention that this group would play a very important part in advising us as to where to place and license these homes. That will be done, and it will be announced by the Department of Health.

Furthermore, it was a recommendation of the Royal Commission that these licensed nursing homes not be extremely large. Because if they are extremely large, they appear to be institutions more than provide a home environment which so many of these citizens need and enjoy. It gives them many advantages, advantages of the home care that it is very difficult for a large institution to provide.

All of you who have read the Royal

Commission Report are well aware that the recommendation has been between four and six beds, maybe eight in special circumstances. All these homes have to meet the special requirements of all the departments of government: Fire protection, they have to meet all the requirements in the health care field, suitable space for each and every individual, suitable bathroom accommodations, dining accommodations, recreational accommodations.

I have taken heed of the request of my hon. friend and a decision will be made when we have all these reports. Thank you very much, Mr. Speaker.

MR. LUSH:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bonavista North.

MR. LUSH:

The fact that the hon. the member for Bay of Islands (Mr. Blanchard) had to present this petition this morning relating to senior citizens' homes at least sort of restores some faith, some confidence in my mind that at least the homes are not being allocated in the way that they have been over the past little while, namely, on a very political basis. So that restores at least some confidence in my mind, that the hon. member was frustrated, in the same way that we are frustrated over here, with the need and demand for senior citizens' homes.

The hon. minister mentions that the Royal Commission on Health made some recommendations re nursing homes. The problem seems to be, though, that this

government seems to be very lax, very slow, in terms of acting on the recommendations of the Royal Commission. Right after the Royal Commission made the recommendations, it seems to me that the Department of Health set up another Committee to conduct a further study. The Royal Commission on Health recommended that the Province look into setting up nursing homes, and it seems as though the Department of Health did not believe that, they did not believe that recommendation and proceeded to set up their own committee. There was a freeze put on and, as far as I know, that freeze is still in existence. Whenever you contact the Department of Health you hear that there is a freeze, pending the results of the latest study, and that study was initiated about a year ago.

I think the very fact that the Minister of Labour (Mr. Blanchard) had to present that petition this morning shows what pressure he has been under from his constituents, certainly this particular one from Meadows, to construct this senior citizens home, the same pressure that the member for Twillingate (Mr. W. Carter) has been under, the same pressure that other members over here have been under, the member for Fogo (Mr. Tulk), the member for Bonavista North (Mr. Lush). Everywhere we look there are people being delayed, being hung-up in terms of trying to build facilities for their senior citizens because of the inaction, because of the lethargy of this particular government. Now, Mr. Speaker, rather than hiding behind any studies, whether they be the Royal Commission or whether they be the present committee that is set up, this government should certainly start

action and start establishing a priority around this Province as to where they are going to put these senior citizens facilities. It is one thing for the Royal Commission to recommend nursing homes, but it is another thing for the Department of Health to be hiding behind that commission and putting a freeze on, saying, 'We are going to await the results of another study.'

That is where they sit now; they have been awaiting the results of another study for goodness knows how long. Mr. Speaker, I would like for some action to take place. Certainly I would like to see the senior citizens home built in the hon. gentleman's district and several others in other districts, in Fogo Island, in Bonavista North. People have gone through the same process that Mr. Brake, I think it was, has gone through for two and three years, thinking that he is going to get the place. It is time for action, it is time for the minister's department to level with these people and tell them just what the situation is, whether or not they are going to get the home. The fact that the Minister of Labour was forced to stand in his place this morning to present a petition I believe shows and describes the utter frustration that has been experienced right throughout the Province, Mr. Speaker, in this very vital area of nursing homes.

Orders of the Day

MR. MARSHALL:
Motion 8, Mr. Speaker.

Motion, the hon. the Minister of Energy to introduce a bill, "An Act To Amend The Petroleum And

Natural Gas Act," carried, (Bill No. 32).

On motion, Bill No. (32) read a first time, ordered read a second time on tomorrow.

MR. MARSHALL:

Order 16, Bill No. 3.

MR. SPEAKER:

Order 16, "An Act To Amend The Department of Environment Act" (Bill No. 3). The debate was adjourned by the hon. member for Bonavista North (Mr. Lush), and he has thirteen minutes left.

The hon. the member for Bonavista North.

MR. LUSH:

Thank you, Mr. Speaker. I am just looking for a copy of that bill. As I recall it, it is a bill relating to the environment and it imposes fines with respect to municipalities. Just to refresh my memory, Mr. Speaker, the explanatory notes on the bill states: 'the bill would provide that costs incurred by the minister in cleaning up of the environment where pollution occurs are a debt due to and recovered by Her Majesty from the person or municipal authorities that the minister considers responsible for the occurrence of the pollution.'

I was saying, Mr. Speaker, that this bill is laudable and we will certainly support it. This bill is praise worthy in terms of preventing further pollution to our environment and certainly making municipalities aware of their responsibilities in a more forceful manner and making municipalities aware of their responsibilities in terms of keeping the environment clean in the areas under their jurisdiction.

I was pointing out, Mr. Speaker, that though this bill certainly deserves praise in terms of encouraging councils and enforcing upon councils their responsibility in terms of keeping the environment clean, I said I believe that we had to proceed immediately in terms of cleaning up our environment and in terms of cleaning up of landscape. I said prevention is one thing but, we must also engage in a campaign of correction, if you will, a remedial campaign, a campaign of cleaning up the mess that is around our environment right now that is causing pollution and contamination and that is indeed an eyesore.

Mr. Speaker, I mentioned, in particular, the mess that our Trans-Canada is in is disgraceful to the Province, right from St. John's to Port aux Basques. I encourage the minister to immediately initiate some campaign to clean up our Trans-Canada because as long as it is kept the way it is, then it is going to remain that way. I think we should initiate a clean-up campaign and that would create thousands of jobs for students, young people, right from here to Port aux Basques.

So I believe the minister should immediately initiate a clean-up campaign on the Trans-Canada and on other major secondary roads in the Province. Wherever there is a road in Newfoundland, we can be sure there is a mess of confetti and garbage because somehow, either we have not brought the full force of the law to bear on law breakers in this respect, or we have not conducted a sufficiently strong enough educational campaign to inform our people and to enlighten our people

of the necessity of keeping our environment clean. I believe that that has to be an aspect of any programme of clean-up, a strong education campaign to inform our people and to encourage our people so they will realize the necessity of keeping our environment attractive and clean. I feel very strongly about that, Mr. Speaker.

So I hope that when the minister responds that he certainly will give attention to these two items, or one item, if you will, one item with an A under it and that is the necessity of keeping the Trans-Canada Highway and area clean and other major secondary roads throughout the Province clean.

The location of a lot of waste disposal sites close to the Trans-Canada Highway was another item I mentioned. In the Summer, particularly at the time of our tourist season, it was not very pleasant driving through a lot of those areas. When the wind was in the right direction and you got smoke coming across the highway, that brings with it a smell or stench. It is not very pleasant. I am just wondering what the rules and regulations are with respect to the location of waste disposal areas in terms of its distance from the Trans-Canada Highway.

Maybe these waste disposal areas are not built in accordance with the latest technology with respect to waste disposal areas because I mentioned the Terra Nova National Park, which seems to be very close the Trans-Canada Highway, but you never get any kind of an odour from that particular waste disposal area, at least I have not noticed it as I have in other areas. So maybe it is the way that they are constructed; maybe

if they were built according to the latest technology it would not matter how close they were to the Trans-Canada but it is certainly something I noticed over the past couple of years, particularly in a couple of areas of the Province, and I refer to an area around Whitbourne and another area around Clarendville. Around these two areas in particular there seems to be a terrible odour, a terrible smell, a terrible stench almost everytime you pass by these areas. Certainly we cannot litter the Trans-Canada Highway or have it dotted with waste disposal areas, making it very difficult for people to drive through. So, I hope that the minister will address that issue as well.

I think the third issue to which I referred, maybe should have been number two in terms of putting some coherence to what I am saying, would be the placing waste disposal containers along the Trans-Canada to discourage our people from indiscriminately throwing things out through their car windows into ditches along the way. I do not believe that is the situation now. There might be one or two places where the containers are located but, it certainly is not frequent enough, and I do not believe that they are being attended to on a yearly basis, that they are being emptied and the site is being properly taken care of. So these are two things, to clean up the highway and to have adequately and properly spaced along the highway the proper waste disposal facilities so that people are encouraged to throw away their things, to cast away their garbage into these waste disposal areas. I do not believe that that is something that we have around the Province to any kind of substantial degree

at this particular point in time. So that is an area in which the minister's department can certainly involve itself and see to it that our people are provided with the appropriate method and the appropriate things necessary to keep our environment clean, particularly our Trans-Canada Highway.

I think, Mr. Speaker, that, in essence, was what I said in my speech last day. I have nothing new to add today, just simply to reinforce these three areas in which I believe the minister's department can work to clean up our existing environment and to encourage our people of the necessity of keeping our environment in its natural form, and particularly of keeping our landscape in an attractive and beautiful form in the way that it was meant to be.

I believe if the minister undertook these three things that I talked about, we would go a long ways towards promoting and encouraging a clean environment and an attractive landscape for the people of this Province. It would also aid in attracting back the tourists that come to this Province year after year.

So, Mr. Speaker, having said these few words, I will take my place and eagerly await the minister's reply.

MR. SIMMONS:
Mr. Speaker.

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

MR. SIMMONS:
The minister is anxious to clue this one up, and I do not blame

him. We will not delay him long. There are just a couple of things that I wanted to get into the record more by way of reinforcing what my friend for Bonavista North (Mr. Lush) has said. We, of course, support the principle that if people are out there polluting, it is they who should pay for their pollution. We have no argument with that at all and we commend the minister and the administration for the initiative in bringing in the bill with that principle as its principle.

I believe the matter of the ability of municipalities to pay has been mentioned. It needs to be reinforced. It is not a matter for the Minister of Environment (Mr. Butt) directly except in his capacity as a person who sits at the Cabinet table. But it is surely a matter that must be of concern to him. The squeeze is very much on municipal authorities.

Now, this is not to be an excuse for them to pollute. That is not my point. They must be responsible. There is no excuse for them going out there and polluting the environment. However, you will find that, and I am about to give you a prime example, in some instances the polluting is inadvertent and unavoidable because they do not have the money to address the problem properly.

I give to the minister the example of the St. Jacques/Coombs Cove Council, which includes the communities of Coombs Cove, Red Cove, Boxey, Mose Ambrose, English Harbour West and St. Jacques on the West side of Fortune Bay. For a number of years they have been getting recommendations from the minister's department saying you

need a new dump; you need a new area for disposing of your garbage. The Council said, 'We have no problem with that. We have just got no money.' So for a number of years they have been after the Department of Municipal Affairs for the appropriate grant to replace that dump.

The dump is on the road near that club at the intersection of the Belleoram/English Harbour Road there, the club that Mr. May used to own. You know the one I am talking about. The dump is not far from that establishment. You cannot drive that mile or two of road from that intersection into English Harbour without almost going through the dump now because the garbage is strewn all over the road; it is blowing all over the place, because there is no effective containment area.

It could be alleged that that council is polluting. They are polluting very inadvertently. They are polluting because they are going out and they dumping in what is being designated as the garbage dump but the garbage dump is no longer adequate for their purposes. The minister's department has said that. The Department of Municipal Affairs acknowledges that to be the case but there is no money forthcoming to help the council out of its problem.

So I could see that in a technical sense, under this bill, that council could be charged with polluting. If that were the case, it would be most regrettable because the circumstances that I have outlined are recognized by everybody and everybody recognizes they need to be corrected.

I am sure that is not the intent

of the bill. The minister nods his approval. I would want him to acknowledge that when he stands up. It is an issue that I wanted to flag because I foresee the possibility that well meaning municipal authorities may find themselves with another act to try and meet the requirements of without the financial wherewithal to do so. That is my concern.

Now let me draw for the minister a couple of particular concerns that I have which I believe are at least peripherally related to the principle of the bill. I certainly hope so.

During the past few days, with the nice weather, I have been roaming down behind the building here, around Kent's Pond. Through, I believe, some Canada Works projects over the last few years, there was a nice path put through there. It is a great place for the public service and visitors to the building to stroll. It is a very pleasant area down there.

I say to him it is getting less pleasant by the day because there are no garbage receptacles down there. While this is a very particular example, it reinforces the larger point my friend was making.

If you, a member of the public, are walking through the area that is already strewn with garbage, there is not much constraint on you against throwing away another bag or another milk container. If you are walking through an area that is absolutely manicured clean, there is a great compulsion to keep that bit of garbage with you until you get somewhere where you can dispose of it properly.

Perhaps I could have the attention

of the Minister of Fisheries just for a moment. He may recognize the area I am talking about. Going over between Bay Verte Junction and Deer Lake, up in the birch areas where you look out over the lake, there used to be a garbage container there on the side of the road and it was always packed full in the Summer. There was always one garbage barrel there and about four times the volume sitting beside it all the time. I often wondered why, if it was because it was not being serviced often enough or because there were not enough barrels there or what. It was always an eyesore. I do not know if it is still the case in the Summer or not but I know as of two or three years ago it was still there. Again, reinforcing the point my friend has made, the point I wish to make is that the appropriate authorities ought to ensure that there is adequate opportunity for the person who wants to be environmentally conscious to be so.

It is one thing to have legislation and to preach but, if they walk through the woods down here or if they drive across the highway and there is not reasonable opportunity for them to dispose of their garbage in an environmentally acceptable way, they are going to do it in some other way. I would hope the minister, if he thinks fit, might want to address that concern that we have and I am sure he has too, when he closes debate on the bill.

MR. SPEAKER (McNicholas):

If the hon. minister speaks now he closes the debate.

The hon. the Minister of the Environment.

MR. BUTT:

Thank you, very much, Mr. Speaker.

I thank hon. members for their input into the proposed amendments to the Department of the Environment Act to increase the maximum fines and to also provide government with a mechanism to recover costs incurred when cleaning up hazardous wastes and spills.

I think out of all the participants in this debate perhaps some of the better points were made by the hon. member for Bonavista North (Mr. Lush), reinforced by the hon. the member for Fortune - Hermitage (Mr. Simmons). Very legitimate concerns were raised by the two hon. members.

Before I respond to that I would like to go back and deal with some of the issues that were raised by other members who spoke in this debate.

The hon. the member for Windsor - Buchans (Mr. Flight) wanted to know why municipalities were specifically identified in these amendments. That is basically because in many municipalities they do not have the wherewithal or the fiscal capacity to deal with major spills or anything like that so, with the approval of those amendments, the government, my department, can go in, have a contractor clean-up spills or anything like that in a municipality and, in fact, charge the appropriate persons, company, whatever, after. That is why municipalities are identified there.

While I cannot cite any case specifically, we have had a number of minor spills in municipalities

and it was reported by a concerned public. Of course, in order to maintain a good environment it will require input from not only government or municipalities but all our citizens.

Another matter raised by the hon. the member for Windsor - Buchans was the matter of the transportation of hazardous goods. Mr. Speaker, that is really not relevant in this debate because it comes under the Transportation Of Dangerous Goods Act. We have enabling legislation along with the federal legislation and if anybody is going to be transporting hazardous materials, say from one community to another in the Province, it is all logged, licence numbers of the vehicles, names of the drivers, all that stuff is compiled before the movement actually takes place. If it is going to cross provincial boundaries, once again, there are provisions in that legislation to take care of it. I do not wish to elaborate on it a great deal here but I think it is sufficient to say that there is a provision now in legislation under the Department of Transportation for the transportation of dangerous goods and it is accepted country-wide. All provinces and territories have mirror legislation or enabling legislation with the federal government.

There was one incorrect statement made, that the Upper Salmon Hydro Development was exempted from an environmental impact statement. That is not correct. The Upper Salmon did go through a full environmental impact statement and, in fact, revegetation and restoration is going on right now in that area. And, of course, all major projects in the Province

almost without exception, unless there may be extenuating circumstances, including major roads and everything else is subject to the provincial legislation, and environmental assessment legislation in this Province, I think, can stand up to any regulations or assessment in the country.

Mr. Speaker, also during the debate there were some points brought up which were not relevant, but since they were brought up, perhaps I should speak to them very briefly. On the spray programme, for example, the proponent, in this case the Department of Forest Resources and Lands, does a real good job in informing the public where the spray programmes are going to take place. If it is in a sensitive area, for example, fenitrothion is not used. Rather, they use BT to get a hold on this hemlock looper that is destroying a lot of forests in the Province. And I think it is fair to say, as well, that our spray programme, which has been a good forest management tool, has worked well here, as evidenced by the fact that we are not spraying this year for the budworm.

There are a couple of other points that require just a few comments. The hon. member for Stephenville (Mr. K. Aylward) tried to relate, and I do not know how he could possibly do it, the effect that PCB storage in Stephenville was having on the tourism industry out there. I find it very difficult to address that. There are certain areas in the Province where we have this material stored. It is done in accordance with our rules and regulations, and in the places I have had an opportunity to visit, this

material is stored very safely. We can be very proud of the fact that the officials in my department have taken a very active inventory of this material that is around the Province, and it is checked on a regular basis.

On the matter of a blowout or a major oil spill in the Hibernia development, I would just simply like to say to the hon. member that we have a very comprehensive contingency plan in place. Of course it would not come under the purview of the Provincial Department of Environment, in the event of an unlikely accident, until it got to shore; the Coast Guard and those people would be actively involved in that.

The hon. the member for the Strait of Belle Isle was entertaining as usual, but he made a few irresponsible statements which are really not worthy of response. But there have been some good points raised by the hon. member for Bonavista North (Mr. Lush). I would like to tell the hon. member - I am sure he is in the precincts of the House - that his points are well taken. There is a problem with litter along the highway. In recent year, we have introduced a number of programmes in co-operation with other government departments. I can cite, for example, the district of Bay of Islands, where the people in that area of the Province have done a tremendous job in cleaning up the environment over there. As a matter of fact, they ran a very successful programme and were responsible for cleaning up about 80 per cent of the abandoned and derelict vehicles that were left around. So There is some work going on in that area.

Obviously, to put litter boxes or

garbage cans along all major highways in the Province would be a very, very major and costly undertaking not only in the first instance, putting them in place, but it would take just one tremendous amount of money to police it properly.

We encourage and support municipalities in doing the kinds of things raised by the hon. the member for Fortune - Hermitage (Mr. Simmons), in that in areas of leisure and pleasure, litter boxes and garbage cans are provided and they are checked on a regular basis. It may not be often enough, but municipalities, I think, only have so much resources, as well, to do these things. So there is quite a bit of work being done. A lot of it is being done within municipal boundaries and, of course, in parks and other leisure areas.

There is a problem right across the Trans-Canada here in the Province with waste disposal sites. I recognize it. I can tell the hon. member that in the few locations where they are close to the Trans-Canada Highway it evolved over a long period of time, and because of the rerouting of the highway itself, or upgrading, whereby the road was elevated when it was upgraded, the trees that hid the disposal sites from the highway have been cut down. There is new growth coming up but, nevertheless, there are obnoxious odors in some areas. In fact, you do even have to go as far as Whitbourne, because if you are driving along by the Foxtrap Access Road, you will find it there as well - in my district, I might add.

There are some problems, and I recognize them. But we have very

specific guidelines laid down now for the development of waste disposal sites, very rigid. They certainly conform to standards that have been accepted in other Canadian provinces, with much higher populations than the Province of Newfoundland. As I have said, guidelines for the development of waste disposal sites are strictly adhered to now with all new developments. There are some problem areas around the Province. The hon. the member for Fortune - Hermitage mentioned one. There are others down on the Burin Peninsula and, in fact, in some other regions of the Province as well.

Mr. Speaker, having addressed the few major points that were raised by hon. members who participated in this debate, I have great pleasure in moving second reading.

On motion, a bill, "An Act To Amend The Department Of Environment Act," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No.3)

MR. SPEAKER (Hickey):
Order 20, Bill No. 15.

Motion, second reading of a bill, "An Act To Amend The Farm Development Loan Act". (Bill No. 15).

MR. MARSHALL:
Mr. Speaker.

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

MR. MARSHALL:
Mr. Speaker, on behalf of the hon. the Minister of Rural, Agriculture and Northern Development (Mr. R. Aylward) I have much pleasure in

introducing this bill. The hon. minister today is unavoidably absent, he is on government business elsewhere.

This bill, I would hope, Mr. Speaker, will get speedy passage. It is a bill that provides that monies coming into the Farm Development Loan Board would be paid into the Consolidated Revenue Fund of the Province at such intervals as the Lieutenant-Governor in Council may direct. The Farm Development Loan Board makes loans, which is obviously the purpose of it, and when a board makes loans, of course, there are repayments. Those repayments come in, and heretofore they have been credited in the books of the Farm Development Loan Board itself. As is the practice for sound accounting purposes and reasonable control, the appropriate place for this money to be deposited is to the Consolidated Revenue Fund, from whence the original loan comes.

MR. K. AYLWARD:
Mr. Speaker.

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

MR. K. AYLWARD:
Thank you, Mr. Speaker.

Just some short remarks on the bill. We have no problem with that. It has to be done, and so on, but a few comments on the Farm Development Loan Board and farm development itself in the Province.

In looking through the budget and estimates I notice an amount of monies allotted for the Loan Board for loans, advances and investments, and grants and

subsidies that are also allocated. We would hope that those monies are going to be used wisely to help develop farming in the Province. Over on the West Coast of the Province we have a number of people who have been involved in the farming industry for a number of years, and they need and require as much support as possible in that industry as there are, at the present time, a number of problems they have run into with prices and pricing, and so on and so forth.

So it is good to see that we have some programmes that address that. I would hope that these programmes will be expanded in the future to meet the needs of the farming industry in Newfoundland. I think the farming industry can go a long way in this Province. We have made a great deal of progress, but I feel it can go a lot further than it has gone. I think it is an industry that we probably do not take into account as much as we should, and I think it should be pushed more. It is good to see that a Loan Board has been set up, and that there are grants set up to help those farmers. I believe it is an industry which, if pushed, could help alleviate many of the problems we have with unemployment in this Province. I have seen some good farms in places where you would not expect to see them established, but through the hard work of a lot of hard working people, they have been able to establish them in these areas. I think their efforts should be fully supported. I think we should be pushing and pushing to expand and grow our own vegetables and so on, our own food. Again, the problem has been in the past that we had a farming industry but it was not taken as seriously as

it should have been. I think the future bodes well for it, but we have to push it as much as possible. We have to support the farmers in this Province as much as possible.

I notice that an educational programme in agriculture has been arranged for the Summer for a number of young students who are coming into St. John's. I think it is a good move and it will help young people who would like to get into the farming industry. We should be pushing that programme much as possible. I would even go so far as to suggest that teachers in high schools should have discussions on farming and so on, especially in areas of the Province where it can be pushed, so that more people will want to get into it. I think it can be a partial answer to the problem we have on this Island of importing goods all the time, as we are doing. I think it should be supported.

On that note I will conclude my comments. I think the bill is self-explanatory.

MR. FLIGHT:
Mr. Speaker.

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

MR. FLIGHT:
Mr. Speaker, I support totally the comments made by my hon. colleague. I do not intend to get into the specifics of farming as such, but I am wondering about the mechanics of this arrangement. The minister indicates that people who have borrowed money from the Farm Development Loan Board have, until now, been making their repayments to the Loan Board.

What is wrong with that? One would assume that the Newfoundland Farm Board would turn the money collected from debtors over to consolidated revenue fund anyway. What has been happening to these repayments up until now? It seems like a simplistic point, a moot point but, based on the minister's comments, I would have to assume that up until now debtors of the Farm Loan Board would have paid the Farm Loan Board and then the Farm Loan Board by some mechanism, possibly annually or whatever, would turn that money back over to consolidated revenue. One could ask the question, would this apply to the Rural Development Association? It is the same principle, I suppose, it is Newfoundland government money. The Newfoundland government, through Rural Development, makes funds available to people seeking loans. The people receiving the loans then make their repayments to Rural Development which, one way or another, finds its way back into the Newfoundland Treasury. Is the government thinking of adopting the same principle for Rural Development, for the Newfoundland Development Corporation? All the funding bodies or corporations which have been granting loans to people up until now, the debtors have paid the money back to the organization or the Crown Corporation, or whatever, they borrowed it from, the mechanism was in place.

If we are going on the principle of the Farm Loan Board, as pointed out by the minister, can we expect the same thing to apply to other bodies that lend money on behalf of the Newfoundland Government? And then, the question also, What will the mechanism be for a specific debtor to repay his loan? The minister can come back,

because I am not going very long.

MR. MARSHALL:

No, I am listening to the hon. member.

MR. FLIGHT:

What will be the mechanism used by the debtors to repay the money to the Consolidated Revenue Fund? If the minister would come back to his seat and address himself to these specific concerns as they relate specifically to the amendment to the bill that he just presented, I would like to hear his comment on those.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER (Hickey):

If the minister speaks now, he closes the debate.

The hon. the President of the Council.

MR. MARSHALL:

I will respond to the hon. member's enquiries first. He asked, Is this going to apply to all funding bodies? Well, I am sure, as the hon. gentleman knows, there is really only one funding body in instances such as this. The funding body is the Province of Newfoundland. And, of course, the money of the Province of Newfoundland, its general revenues, are held in its Consolidated Revenue Fund. So, having paid block funding to the Farm Development Board, or any board, by way of grant or provisions in the estimates, then those moneys are taken by the board which manages it and pays it out by way of loan. Now, in turn, the inter-relationship of the borrower is with the board, so the borrower pays it back. So the board is not the funding body, it

is the government, and it comes back into the Consolidated Revenue Fund. Obviously, particularly in financial matters, you have to have the appropriate financial control, and that is the only reason for it. I believe this mechanism pertains to the Rural Development Authority, as well. And it certainly has to apply for most of the bodies, unless there is a specific authority or board which is self-generating in funds, of which there are very few.

With respect to what the hon. member for Stephenville (Mr. K. Aylward) indicated, just a few comments on that. We agree with what the hon. gentleman said, and government fully supports the agricultural industry in this Province. It fully supports this particular board itself, which it has funded over the years with increasing amounts of money from time to time, because we realize the importance of agriculture, in the same way as we created, the Progressive Conservative governments, the Rural Development Authority in this Province. In fact, this department is Rural, Agricultural and Northern Development. I think it needs to be stated every time, Mr. Speaker, in all fairness, that it was the Progressive Conservative Party that established the Rural Development Authority in this Province and gave extra support to the farmers in the agricultural areas. I think, in closing, it would be only fair to mention that in the presence of the existing minister (Mr. R. Aylward) we have the strongest Minister of Rural, Agricultural and Northern Development that the Province has ever had. In the agricultural field it is quite evident from the type of support he enjoys amongst the farming community in this

Province, and the steps that the department has taken under his direction to enhance farming in the Province of Newfoundland. I think one of the major indications of this was what occurred last year when they had the agricultural fair here in the St. John's Memorial Stadium which was a complete and absolute outstanding success. I am not sure whether it made money or not as such, but it came very close to it and that in itself, I think, is a monumental success. It certainly is a feather in the cap of the department and, in particular, the hon. the member for Kilbride (Mr. Aylward), who is very conversant, who knows the farming industry. As a matter of fact, I can remember last year when they had a competition among farmers out in the Kilbride area and the hon. the member for Kilbride entered it, I think it was furrowing or plowing, but whatever it was he took first prize from judges who did not know who did the plowing but just judged from the results itself. The hon. gentleman came out head and shoulders over everybody. So he is a person who knows the farming industry, knows it well, has the support of the farming industry, and this is another one of the bills that he is bringing in to make his department even more efficient than it has been in the past. So, Mr. Speaker, having said that, I thank the hon. gentlemen for their constructive remarks.

MR. FLIGHT:

Before the minister moves second reading, I have to say in fairness the minister did not address the concerns that I raised. I asked him what has been happening to now? How has the Farm Loan Board been returning the monies they

have collected from creditors to the Consolidated Revenue Fund?

MR. MARSHALL:

My understanding of it, Mr. Speaker, is that it has actually been returned. You do not have a board, an agency of government set up that can sequester money onto itself and keep it. This is for the purpose of regularizing, really, the processing, and providing specific and direct legislative guidelines which are necessary when you are dealing with substantial amounts of monies.

MR. FLIGHT:

Mr. Speaker, when did the desire by government or the need for this action by government become apparent?

MR. MARSHALL:

The hon. gentleman should not imagine that there is an ulterior motives.

MR. FLIGHT:

It does in Committee. I will ask the question.

MR. MARSHALL:

Do not threaten me. I do not mind. We will go to Committee for ever and a day and I will give you the same answer as I am giving you now. The hon. gentleman should not get so politically paranoid that he imagines, like spiders crawling up the wall all the time, there is some ulterior motive behind every bill. I mean, this is a pure and simple bill brought in by a government that is very sensitive to the rural areas of this Province, to the farmers and agriculture, and it is purely and simply there for the purpose of making it more effective.

MR. FLIGHT:

Is the mechanism in place for the

individual debtor to repay the loan to the Consolidated Revenue Fund now as opposed to the board as it used to be?

MR. MARSHALL:

No, no, that is not the way. Mr. Speaker, that is not the way it is. I can tell the hon. gentleman that nobody is running away with the monies. When a farmer comes in and makes a payment, there is nobody down in the Rural Development Authorities, there is nobody down in caucus who is running away and putting it in their own bank account or anything like that.

MR. FLIGHT:

You are sure of that, are you, 'Bill'?

MR. MARSHALL:

Yes. As you say, why does he not go and pay it into the Consolidated Revenue Fund? You have some farmer out in Meadows or somewhere like that who comes in to get a loan and they say to the farmer, 'Well, boy, look what you got to do is pay that to the Consolidated Revenue Fund.' I am sure he would be looking around for the next ten years to find out what the Consolidated Revenue Fund is. I only know what the Consolidated Revenue Fund is because I have been operating in government. The hon. gentleman has been in government and he obviously does not know what the Consolidated Revenue Fund is. If the hon. gentleman was in making a payment he would be wandering all over the city everywhere. The point of the matter is you got to have a focal office that these farmers can deal with when they come in. They pay it into the Farm Development Board and that has an office, which is in a building, as the hon. gentleman

would understand, not office in the sense of an office like the hon. gentleman operates. It is in a physical building, you go in through the door of that building, you go up the stairs or up on the elevator, you open up a door and there is a sign there that says 'Farm Development Board, for his convenience, so he knows. Now if the hon. gentleman had his way, if they came in and were told the Consolidated Revenue Fund, I mean, what would happen then?

MR. FLIGHT:

What happens now?

MR. SPEAKER:

Order, please!

Would the hon. member please take his seat? I am sorry, I have to intervene here. In the examination of clause by clause of the bill in Committee there is all kind of flexibility and the hon. member can get into that. I am not in any way trying to stymie debate by the hon. member, but if he wishes to get information during second reading he should really rise and ask a question, because in third reading there is all kinds of flexibility and it is rather informal. But during second reading the rules have to be followed.

MR. MARSHALL:

I will wind up by just saying I am trying to test my patience. I was doing an experiment then. I was just seeing whether I could make the hon. gentleman understand. That is all I was doing. On a Friday morning I like to talk temperately. I do not like to get political. I complimented the hon. member for Stephenville (Mr. K. Aylward) for the constructive way in which he addressed the bill, which he

certainly did and he did it in a very fine way. And the hon. gentleman, I responded to his questions. All I can say is, you know, they pay the money into the board. They go in, as I said, and I will not go through it again because you know what I mean by office and building, and there is a desk there and they go into the place from whence they borrowed and they pay it back. That is what they do. What happens then, of course, I suppose is they take the money and they give them a receipt. Then the gentleman takes the receipt and he goes.

Then what happens? The person who takes the receipt, I would assume, takes the money and puts it into a bank account. Then he or she makes up the bank deposit. Then it is taken by the financial process to the bank. It is deposited into the bank. Then it goes into the bank, and when it is in the bank it is the Farm Development Loan Board. The hon. gentleman would remember, from the way I am talking, years ago when he was first starting off his educative process, you know, 'Look Jane. Look Dick. See Jane. See Dick. See Graham. See Beaton. Look what happens.' This is what happens, Mr. Speaker. Then they go and they put it into a bank account and it is a Farm Development Bank account and the money is there. Believe it or not, Mr. Speaker, the money stays there until such time as the Chairman of the Board and the Board brings it in or pays it over to the government.

Now, when it is paid over to the government it is taken from that bank account and is put into another bank account and that is the Consolidated Revenue account. Then that is the general account

for the people of the Province of Newfoundland. That is what is going to happen. That is what has been happening and what this is doing will regularize it, will regularize and give legislative sanction to the procedure that has been going on.

MR. FLIGHT:

So they had had no legislative procedure?

MR. SPEAKER:

Order, please!

MR. MARSHALL:

No. I am not one of these people - the hon. gentleman and I would think the distinguished member for Menihek (Mr. Fenwick) would not agree with this - who believes that everything has to be legislated. But there are certain people like Auditors General and certain types of lawyers - not the real good ones - and accountants, God bless them, who feel that everything has to be regularized in statute and that is what we are doing.

Now I propose a statute and I have hope. I have explained to another statue in another sense. So, Mr. Speaker, I move second reading.

On motion, a bill, "An Act To Amend The Farm Development Loan Act," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 15)

MR. MARSHALL:

Mr. Speaker, we will give the Minister of Consumer Affairs and Communications (Mr. Russell) an opportunity to see if he can get through to the heads of the official Opposition. I call Order 21, Bill No. 25.

Motion, second reading of a bill, "An Act To Amend The Real Estate Trading Act To Provide For The Establishment Of The Real Estate Foundation". (Bill No. 25).

MR. SPEAKER:

The hon. the Minister of Consumer Affairs and Communications.

MR. RUSSELL:

Thank you, Mr. Speaker.

I rise with a great deal of pleasure to introduce for second reading a bill, An Act To Amend The Real Estate Trading Act. I think it is a very progressive and very forward piece of legislation, Mr. Speaker, and one that the real estate people across this Province have been lobbying for for several years.

Mr. Speaker, originally the Real Estate Trading Act became law, I think it was in 1964, to provide some protection to consumers, because I think every member in this Legislature will agree that the biggest decision, perhaps of a lifetime, as was said I believe by the hon. member for Bonavista North (Mr. Lush) during the estimate debates, is that of purchasing a home. At that time the original Real Estate Trading Act provided for real estate people to be bonded and to get a licence and thus to show, I suppose, they had some expertise and some knowledge of the real estate industry.

That has gone on for some years, Mr. Speaker, and I suppose like everything else, the real estate industry has grown and grown and grown over the years and now there are many more companies, certainly many more real estate agency people than there were in 1964, for example.

Mr. Speaker, as it is at the present time the deposits that the consumer makes in the purchase of a home goes into a trust account. It is non-interest bearing and thus the trust companies or the banks, or whatever the financial institution might be, gets the use of this money. I understand from the real estate people that we are talking about over a one year period approximately \$5 million that is in and out. Not much of it is long term necessarily, but as hon. members know, and some of the members are and have been involved in the real estate business, but it is approximately a \$5 million bank account if you will. And so, as I said, the trust companies and the banks or whatever get the benefit of using this money and the real estate people now, as I said, have been lobbying to have this money put into an interest bearing account. This, I suppose, Mr. Speaker, is the whole reason, the whole principle of this bill, which would establish a real estate foundation wherein the monies would be deposited in an interest bearing account and a board would be established whereby they could use the interest only on these accounts for purposes which are outlined in the bill, and in particular Section 53 which says, "The objects of the Foundation are to establish and maintain a fund and to use the proceeds thereof for the following purposes: (a) to promote continuing education among those engaged in real estate trading."

I think, Mr. Speaker, that is a very important thing. As the hon. member for Bonavista North indicated when he attended consideration of my estimates, maybe where it all should start, so to speak, in terms of consumer

matters, real estate being part of it, perhaps is in the schools, with the education programmes, and I agree with him. I think there has been a kind of a start made in that area, but perhaps it should start with people when they are at a younger age, before they have made the decision or indeed have reached the age where they know much about what they are going to be meeting in terms of buying a house, for example. And I would like to think that some of these funds will be used not only for the education directly for the real estate agents, so to speak, but the education of consumers as well. "(b) to sponsor, support and promote research and to make recommendations affecting real estate trading; and (c) to do all other things that are, in the opinion of the Foundation, incidental or conducive to the attainment of the objects set forth above."

So what we are proposing, Mr. Speaker, is to set up an interest bearing account. This Foundation will be run, so to speak, by five people, a board, to be appointed by the minister, three of whom shall be from the real estate industry, one shall be a representative from my department, and one shall be a member from the public at large. One of the three from the real estate industry shall be appointed chairman of that board. There is no provision, Mr. Speaker, in this bill to pay the members of this board, I understand they will do it voluntarily. I suppose if there are out-of-pocket expenses incurred for meetings and travel and the natural things, then this bill will give them the authority to use monies from the interest to pay those incidental expenses.

The Foundation will be audited on an annual basis and have to make a report. The Superintendent of Real Estate of my department will have certain authorities and certain flexibility in monitoring, if you will, the Foundation to ensure that they are doing the things as they should be doing them.

Mr. Speaker, I think, that in gist, without getting into the nitty-gritty, if you will, of the bill, explains the principle of it. I am pleased, Mr. Speaker, as I said to be able to do this. I had the pleasure of attending the St. John's Real Estate Board annual dinner at Christmastime while they asked me a number of questions, the one thing that was on their minds, was where I stood and where government stood on making this amendment. I indicated to them at the time that I would do my best to have this introduced in the upcoming session of the Legislature. And in more informal discussions with them following the dinner, they were really delighted and really pleased. And I do not know about members on the Opposition side, Mr. Speaker, but I know that members on government side, ministers and others, have received letters from various real estate companies and real estate agents lobbying for support for this amendment.

I think it is a very forward piece of legislation, Mr. Speaker, for the real estate industry in that the monies will be wisely spent, will provide for better education, in the broadest sense of the word, to help the real estate people directly and to help the consumers, maybe directly as well but certainly indirectly. It is a great pleasure for me, Mr.

Speaker, to move second reading.

MR. W. CARTER:
Mr. Speaker.

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

MR. W. CARTER:
Mr. Speaker, there is not much that can be said against this legislation. I think it is an excellent bill, but I have a few reservations which I will touch on during my few remarks. When one realizes, Mr. Speaker, that the purchase of a house represents, in most cases, the life savings of a person, and a commitment for a large part of that person's future earnings, I think that the real estate business must be upgraded and some degree of professionalism be instilled in the industry, and I think that in recent years we have seen a move made in that respect.

The minister mentioned the method by which this fund is being established and that is interest accruing on trust account deposit. He mentioned, I believe, a figure of \$5 million over certain periods. I would have thought that the figure would have been higher. When you realize the fact that these accounts are not interest bearing then, of course, that means and implies that the banks and lending institutions have been benefiting from these trust accounts. Because if they are not paying interest like they do on other accounts, whether it is a trust account or a general account, a checking account, these monies are being used by the lending institutions for which they are not paying any interest. I think it is an excellent idea to set up an interest bearing account

in which these trust funds are deposited, and I think the use to which they are being put now, that is the establishment of a Real Estate foundation, is an excellent idea.

MR. TULK:

What is the purpose of it?

MR. W. CARTER:

The purpose of it is, Mr. Speaker, that at the present time, when a person buys a house, he or she makes a deposit, normally it is 5 per cent, and under the act that deposit is required to be deposited in a trust account in a lending institution, normally a bank, on which there is no interest being paid. I believe the minister mentioned \$5 million as the figure, but it is a conservative one, I would think, and that means that over a period there has been at least \$5 million as deposited in various trust accounts from which the lending institution is benefiting, but not the consumer nor the industry itself. I think it is an excellent idea to set up that kind of an arrangement. Like I said, there is no reason at all why the lending institutions should benefit from monies placed in trust accounts on which there is no interest being paid. I have some reservations, Mr. Speaker, with respect to Subsection 2, paragraphs (a) (b) and (c). As you will see in that section the members of the board must be appointed by the minister. Now, before I go any further I should point out that this is going to be a pretty financially impressive organization, if that is what you call it. It is going to have a lot of money in the account. You are talking probably, over the years, of maybe as much as millions of dollars, and I think

the integrity of that Foundation must be jealously guarded by the minister and by this House. If there is the least suspicion that there is hanky-panky or if the people who are responsible for the administration of that board are anything but lily pure, then I am afraid that the integrity of the Foundation will be affected and it will probably leave itself open for all kinds of abuse, maybe charges of abuse and everything else. That is why I am a little concerned that the appointments to the board will be the prerogative of the minister. Now, granted the minister says in Subsection 2 (b) that one person who is an employee of the department, the minister's Department of Consumer Affairs and Communications, will be a member of that board, as well as a person who is not licensed under the act but who shall represent the public at large. And, (c) three persons licensed under the act and engaged in real estate trading.

I am wondering and maybe the minister can tell the House, when he winds up debate on this bill, on whose advise, for example, will he appoint the person designated in Paragraphs b and c. That is, on whose advise, for example, will there be a person appointed to represent the public at large? The same thing applies with Paragraph c, the three people who will be appointed to act as part of that foundation representing the real estate industry itself. I am not suggesting that this minister will do it, far be it from me to even suggest that he would even dare try to exert political influence on these appointments, but it might well be that some time in the future his successor might be so inclined and that is why I believe there should be some provision built into the

act whereby that kind of political interference will not be tolerated, or at least it will not be left open. The appointment of the Real Estate Foundation, the board, will not be left open to the possibility of that kind of political abuse.

So, Mr. Speaker, as I said, I support this bill with the reservations that I have just outlined. I believe it is a step forward. I believe it will have the effect of still further professionalizing the real estate industry and, again I repeat, considering the fact that, like I said, a person buying a house or a young couple, not only are they going to invest in most cases their life savings but they are going to be committing a large part of their future earnings, and that is why I believe that the real estate industry should become as professional as it possibly can. If the intent of this bill is carried through, then I believe it will have the effect of educating to a greater extent the people who are involved in the real estate business.

Again I repeat that the integrity of the board must be zealously guarded by the minister and by his department, by government. I think it is very, very important that the proper people be appointed, whether it is the minister's appointee or the person appointed on behalf of the public at large. I think it is very important that we have people of first class caliber appointed to these positions. If not, I am afraid, like I said a moment ago, that whole thing could be jeopardized if the right appointments are not made.

So, Mr. Speaker, I do not think on

this side we can have too much to say against this bill. I hope that the minister, in his reply or in his summing up, will maybe give the House and the Committee some idea as to what his intentions are with respect to Subsection 2, paragraphs a, b and c, that is, the appointment of members to the board.

MR. SPEAKER:
Order, please!

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:
Mr. Speaker, I just want to have a few brief words on this piece of legislation to amend the real estate trading act, to establish or provide for the foundation that the real estate association has been looking for for quite a long time.

The main reason I want to do it and the main reason I have any awareness of it at all, I suppose, besides the matter being discussed in Cabinet some time ago when the bill was brought before Cabinet, is that I have had representations made to me by at least a dozen real estate agents that I can think of in my own constituency of Grand Falls and real estate agents from other parts of the Province. I gather that this has been a long time objective of that association.

I think the member for Twillingate (Mr. W. Carter) has amply described in simple terms what this legislation will do and of course the minister has outlined it in a little more detail. I am particularly impressed with the objectives of the foundation to promote continuing education among members of the real estate

profession. I think that can only do a lot to provide improved service to the consumer, to sponsor and support research, to make recommendations that affect the real estate business in this Province and to do other things, of course, that would be, in opinion of the foundation, conducive to attaining all of those objectives.

There are also going to be provisions, as the minister said, in the legislation for the foundation to be able to invest monies in any manner in which the trustees are authorized by law and there is also a notation there that the accounts of the foundation are to be audited annually. That might address one of the questions the member for Twillingate raised when he says that the people who go on this board must be of impeccable character and there should not be any suspicions and so on and so forth. That provision being there, of course, the fact it has to be audited annually by a C.A. and then reports of that audit have to be presented to the foundation itself and also to the Superintendent of Real Estate within the Department of Consumer Affairs.

There were some other points that the member for Twillingate made that I wanted to briefly address. It dealt mainly with the appointment of the board on the foundation. The minister will obviously respond to it to and will be the official spokesman on it but, just speaking from experience in respect to appointments of people to boards that government has the power to appoint, my suspicion is that the minister will work very closely with the Real Estate Association

in appointing those three persons who must serve on the board, who are licenced under the act and engaged in real estate trading. I would suspect that the minister would in all likelihood, as we do on other boards of this nature, ask the association for some nominees. They would submit some names, I presume, from which the minister would be able to choose.

One of the other members is an employee of the Department of Consumer Affairs, probably in the Insurance Division or something like that more than likely but not necessarily, but somebody from the department. I do not think that is difficult to live with. I am sure, in fact, the Real Estate Association itself are probably quite satisfied with these proposals because it has been done in consultation with them and, of course, at their urging.

Not to be forgotten, Mr. Speaker, is that we are a bit behind in this, I guess. Most other provinces I understand have similar legislation or similar foundations in place. We have examples of our own in this Province. The Law Society has a foundation and I gather this would operate in a very similar way to the Law Society. Of course the overall objective of where the present time the financial institutions are getting the benefit of the interest that is earned is something that all of us, I suspect, would be happy to try to change if there is any way possible at all. Now the foundation will get those benefits and be able to use the funds for educational purposes and therefore, to generally speaking, provide a better service to the consumer in this Province.

So, Mr. Speaker, I simply wanted to take the opportunity, because I have had discussions with so many around the Province who are in the business and, in particular, in my own constituency of Grand Falls where I have at least talked to a dozen or probably in excess of a dozen and I have made myself a little bit familiar with what the proposal is all about, because of those reasons and specifically because I think it is a good piece of legislation, I simply wanted to record my support for the bill. I commend the minister for taking the action that he has in bringing this legislation into the House.

MR. FENWICK:
Mr. Speaker.

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

MR. FENWICK:
Thank you very much, Mr. Speaker.

I find it amazing that it looks like I am the only person who is going to speak against this bill or at least some substantial parts of it. I have no objections to a foundation for the real estate people. I think that is fine if they want to have that.

But I cannot understand why in God's name we are allowing them to steal what looks like \$.5 million a year from people who are purchasing houses and selling houses in this Province by virtue of this Section 54, subsection (a). The minister has gotten up and says that there is approximately \$5 million in these accounts on an annual basis and at 10 per cent interest, maybe it will not be as high as that, but on a 10 per cent interest basis, that is \$.5 million a year that will accrue to this foundation as

a result of this. But whose money is it?

These are people who are buying houses, putting the money in escrow or whatever the equivalent of it is -

MR. SIMMS:
The bank is getting interest now.

MR. FENWICK:
Yes, that is true. The bank is getting the interest now and I think that is just as reprehensible. However, what is wrong with giving it back to the people who are purchasing the houses or the people who are selling the houses? It seems to me it is their money.

I find it totally incomprehensible that we can actually sit here and say that we are going to donate money from people who are buying houses to the real estate industries so that they can go and do it for education. I have no objections to them educating their members. I think it is a grand idea. But if they do contribute the money themselves, do not steal it from their clients because this is what it is. This Legislature, by passing this bill in this form, will be saying to the real estate people, "You can steal the interest from these monies."

If I was buying a house that cost \$100,000 and had it sitting in an account for three weeks or a month or something like that, that would be about \$1,000 worth of interest that would have to be paid by me because I had arranged that money beforehand. Why should that go to a real estate foundation? Why should it not go back to me so it can reduce the cost of my house?

MR. SIMMS:

You agree that it should be in the bank where it is now perhaps?

MR. FENWICK:

No. No. I do not agree with it being in a bank the way it is now either. I do not think they should have it either. I think it should be an interest bearing account and I think the interest accrued while it is in that intermediate stage should be given back to the person who is buying the house so that it can reduce the cost of it.

MR. SIMMS:

The foundation is sort of a charity, you can see that in the bill.

MR. FENWICK:

No, I disagree with that. The fact is that we are talking about \$.5 million here a year. This \$.5 million will be going into a foundation for its particular purposes when I think it is infinitely better spent by giving the money back to the individuals themselves.

As a matter of fact, it is very similar to the Law Society one that we did a while back where we gave them a rake off on all the writs that were issued as well in this Province. I do not understand what is going on here.

It seems to me the members of this House have no problem lining the pockets of real estate agents and lawyers and other groups like that, yet when we come down to the same kinds of things happening with trade unions they get aghast and say, "These are undemocratic." This is hypocrisy! The real estate agents do not deserve this money any more than the banks do. It should be returned to the people who bought

houses.

Mr. Speaker, what I intend to say is I have no objections to the foundation but when we get into clause by clause reading, I intend to move an amendment to Section 54 (a) to change that so that the interest money would go back to the people who buy the houses and also perhaps Section 28 (1) as well. It seems to me that that is a much more fair and reasonable way to deal with these funds. To give them to a Real Estate Foundation is just a rip-off. Anybody who says it is not a rip-off has just got to be trying to line the pockets -

MR. SIMMS:

You are just playing politics now.

MR. FENWICK:

I am not playing politics, Mr. Speaker.

MR. SIMMS:

You are.

MR. FENWICK:

This is a very serious matter here. It is \$500,000 a year and it should go back to the people who buy houses. They are the ones who have to pay it.

Thank you very much, Mr. Speaker.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fortune - Hermitage.

MR. SIMMONS:

This is not quite ready for passage yet. Bill No. 25 is one whose principle we support, as my friend from Twillingate (Mr. W. Carter) has said. We believe that the overall mechanism proposed

here is an improvement over what exists now in that the banks will not get the benefit they are getting at this point in time. I believe my colleague from Twillingate has covered that point.

What I want to do is, first of all, clear up a bit of a confusion that was created by the gentleman for Menihek (Mr. Fenwick), either through a lack of understanding or outright mischief. I do not know.

AN HON. MEMBER:

Ignorance.

MR. SIMMONS:

No, I do not think it was ignorance.

MR. SIMMS:

Do you agree he might be just playing politics.

MR. SIMMONS:

Well, it is a little broader than politics. It includes politics but it is dogma. The idea that anybody in private enterprise could benefit from the process is anathema to him. That is the problem. So it is larger than politics as such. He often makes statements along those lines, even when it is politically inopportune. He is so locked into this dogma that somehow it is a sin for private enterprise to make a dollar that he becomes almost Pavlovian in his responses to anything bearing on the subject. For that he has our abject pity and understanding.

Mr. Speaker, it is not as simple as the gentleman for Menihek makes out. At the moment if the Minister of Consumer Affairs and Communications (Mr. Russell) does nothing, then the banks continue to be the beneficiary.

MR. FENWICK:

It is still a rip-off.

MR. SIMMONS:

There is another brilliant insight. They must have a set of flash cards just like the child in Kindergarten has got a set of them. They must have a set of flash cards saying rip-off and all those things.

Mr. Speaker, right now, without this legislation, the banks are the beneficiary. With this legislation, the real estate people will be the beneficiary. That is basically -

MR. FENWICK:

Why not the purchaser or the home-buyer, why should they not get a break?

MR. SIMMONS:

I allowed him to make his point. If he can just hold himself for a moment, he will see the point that I am attempting to make. That point is, at the moment, if we do nothing, the bank will continue to be the beneficiary. The buyer is not a beneficiary anyway. That is the first point that needs to be made and a point that was completely overlooked by the gentleman for Menihek. The client is not the beneficiary at the moment anyway. It is not a matter of taking something from the client. From time to time, I have been the client. I have bought houses. Everybody in this House has bought a home, from time to time. So far, without this legislation, I have not benefited. I have gone out and I have put in my \$2,000 or \$5,000 or whatever it is and the banks holds it and takes the money and uses it and so on.

Now what this bill, in simple

form, says is that let the Real Estate Association take the money and use it instead of having the bank use it.

Now, Mr. Speaker, comes the piece de resistance, the line that will surely grab the attention and garner the support of the gentleman for Menihok (Mr. Fenwick). This is what he has been waiting for me to say. See, he decides to be against it before he hears what it is. You see, Mr. Speaker, the one area in which I would, I say to the minister, like to see this bill altered is in relation to Clause 53 where it spells out the objections of the Foundation. It talks about providing for the education of those involved in real estate trading; sponsoring, supporting and promoting research, and doing other things that are, in the opinion, of the Foundation are incidental or conducive to the attainment of those objects.

Mr. Speaker, it can be argued that if your real estate agent is better educated, if he does his homework better, as provided for in Clause 53 (b), then the consumer or the client is better served. Indirectly, there is a benefit even there for the client, not money directly in the pocket, but there is a benefit. I allow that, I can see that, but I would make one other suggestion to the minister that he might want to take into account.

He might find himself respective to the idea of expanding on Clause 53 with another subsection to provide that this Foundation could also expend its proceeds on matters should as scholarships, for example, and other mechanisms whereby the consumer public could benefit directly from the proceeds

of the Foundation. That would remove some of the edge of the criticism from the gentleman for Menihok that the proposal is sort of self-serving in terms of the people directly in the real estate industry.

I would suggest to the minister that he take under advisement the possibility of opening Clause 53 so that the objectives are broadened somewhat so that, not only those people in the real estate industry itself, but people served by the industry, the consumer, the buyer and seller, also gets some benefit such as a scholarship, for example. I just throw that out as one suggestion to him to which he might want to respond when he closes debate on the bill.

Mr. Speaker, I understand my friend for Bonavista North (Mr. Lush) wants to say something. The minister is not going to be closing it. I have said what I wanted to say on the bill, Mr. Speaker.

MR. J. CARTER:

Mr. Speaker.

MR. SPEAKER:

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

MR. J. CARTER:

Mr. Speaker, just a few very general comments on the Real Estate Bill. One of the points that should be made is that so often something is given to a customer with the large print and taken away with the small. I would like to hear some of the lawyers in this House comment upon this aspect of real estate transactions.

For instance, you can have a

property that is offered for sale and let us say you agree on a price. You make an offer, and that offer is accepted and you think everything is grand. But it is not quite so grand because there still has to be a title search, there may or may not be clear title, and then, in order for the mortgage to be accepted by a recognized lending institution, there may have to be certain additions, repairs or upgrading done to the property. Very often the unsuspecting buyer feels that this is his responsibility whereas, as far as I am concerned, the law of contract clearly states that a deal is a deal is a deal. If something is offered for sale, it is presumed that that sale presumes clear title and reasonably easy access to a mortgage without anything extra having to be paid. But so often I hear of instance after instance of property being offered for sale and then the unwitting purchaser finds that he or she has to pay more money besides the down payment that he or she had budgeted for.

Although it is not the same with the purchase of cars, you run into the same sort of thing. You think that there is a purchase price. Once you have agreed on a purchase price and calculated the sales tax and the licensing fee and the other up front charges, we find that perhaps you should have this, perhaps you should have that and there is an extended warranty and there is this and there is that and this protection and that protection and the unwitting purchaser comes away having spent probably 10 or 15 per cent more than he or she had budgeted for.

I am all for having real estate agents far better educated than

they are at present. For instance, I know of some real estate agents in this town who are doing extremely well. One of the reasons they are doing well is because they are up on all these points, whereas the new, less experienced real estate agents are not aware of these pitfalls and, unfortunately, the majority of the buying public are not aware of them either.

As the previous speaker said, everybody may have brought a House in this Chamber but I doubt if very many have bought fifty houses. Most real estate agents have an unfair advantage over the purchaser because they have probably bought and sold fifty houses, whereas the person who is buying a house is perhaps a first time buyer or has only bought one twice or three times or even less.

With these points in mind, I would like the lawyers among us to address these concerns. I must say I generally support this bill.

MR. LUSH:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bonavista North.

MR. LUSH:

I too want to make some observations on the bill. First of all, to reiterate and reinforce some of the points made by my colleague, the member for Twillingate (Mr. W. Carter), we think the bill has merit. It is certainly another step towards fine tuning, refining and making more professional the business of real estate operations in the Province. Certainly, I think all hon. members would have to agree with any kind of legislation that

is designed to improve that rather large and important business. It is becoming more important with each passing year.

There was a time when real estate actually only applied to St. John's and some of our larger areas. People in the rural areas in particular never availed of real estate services. They did their business on a private basis but I think now that all hon. members will agree that real estate has spread to practically every area of the Province.

It is not uncommon now to drive through Bonavista North and find 'for sale' signs by even firms in St. John's. We have real estate offices now in just about all of the larger centres of the Province, Clarenville, Gander, all around. It has become a big business and it is infiltrated right throughout the Province so there is a necessity of doing anything we can to improve that operation.

I think it has been a rather strange situation that we have had these huge sums of money in trust and nobody is getting any benefit other than the financial institutions that were making the monies available. I have always thought it was a rather strange situation.

It is nice for the member for Menihek (Mr. Fenwick) to use the points that he is making that the consumer should get some benefits. The point that I was going to make in this bill is I certainly hope that the Real Estate Foundation would be aware of what the situation is and that they, in their wisdom, would certainly be aware of the consumer and try to throw back some

benefits to the consumers in terms of an educational programme to acquaint the consumers with the complexities and difficulties in purchasing a home. My friend from Twillingate (Mr. W. Carter) made this observation, I believe, that it is probably the biggest investment that any couple, or that any person, will make in terms of their life time expenditures, namely, that of buying a home.

Many innocent customers or clients have suffered because of not being familiar with all of the fine print, the regulations and the complexities in terms of buying a home or buying any kind of property through which you have to go through real estate companies. So I would hope that in terms of the purposes for which the foundation is going to be set up that the real estate people would not only think of enhancing and improving the real estate business itself but would also think of the general public at large and would, I hope, invest some monies in terms of educating the public. I believe that is the concern that the real estate people themselves should have with respect to setting up this foundation.

The other point is the member for Menihek (Mr. Fenwick) certainly over simplifies the matter. When a person buys a property, be it a home or some other property, business property whatever, industrial property, that what we are talking about here is the initial down payment.

This initial down payment is done as an act of faith for the client to demonstrate to the vendor that he indeed is serious about buying this property. This is not just some fancy idea that is flowing

through the person's mind but to show the act of faith, they have made this offer.

The real estate business, in turn, accepts this offer to again show their act of faith that they will carry through all of the terms of the offer on behalf of the client. So it is an act of faith on both sides.

When a client or a customer or a consumer makes an offer of money to purchase something, I do not think that customer expects he is going to be paid. He is buying the property and this money in trust is for the person's protection. That money is then signed over to whoever the person buying is. That money is theirs until the transaction is finalized. So I think it is folly to think that the consumer should be paying interest on some of the money that they using to buy something. That is unheard of. I do believe that there might be certain circumstances under which the client could get money, but I believe that the best benefit the client could expect to get is out of the purposes for which the money is allocated is that the real estate people will see that there is a real necessity to inform and educate the consumer and would make that a part of their educational programme. I believe that is where the benefit for the consumer enters into the picture.

There is one condition, however, where we could possibly see that the consumer is entitled to some interest, and that is in the situation where the deal falls through with the fault being on the other side, if the minister knows what I am talking about. If, for example, I have agreed to

buy a certain property and my downpayment, for example, is \$5,000. You make the offer under certain conditions, obviously. If, after having my \$5,000 for three weeks, four weeks it is then decided that because of some conditions on the other side, maybe because they cannot show clear title to the land, whatever problems come into it, now that deal is null and void, then I do believe there is a case whereby the real estate company should be obligated to give me whatever interest I could have made on my money in that time, because the deal fell through with that company with my \$5,000, \$3,000 or whatever the situation was for two weeks, three weeks, four weeks, and they now have to return it, at no fault of mine.

It seems to me that is the only condition whereby a client could reasonably look to reimbursement. However, all other conditions being equal, I have made an offer to buy and the total amount of money that I outlaid is deducted from the total cost. I made out the money to somebody else, I made out the money to a real estate company or whatever the firm they wanted me to make it out to who was going to hold it in trust, I then have given over my money as an amount to be subtracted from the total cost.

I cannot see how it is that I could expect any interest on that because I have taken that from my assets, I have taken it and I have given it over. It is not mine. I made that transaction as an act of faith and, as I say, I cannot at all fathom how anybody could think that I am entitled to any interest accruing to that, unless, as I have said again, in the situation where the deal falls through with

the fault being applied to the other side. That is the only condition, Mr. Speaker, that I could see whereby a purchaser could expect some reimbursement.

I think the idea of setting up a Foundation is indeed an laudible one. Again, the suggestion that I would make to the real estate people is that when they get their fund established, remember the consumer. Also, they should be mindful of the fact that the consumer needs to be educated and informed and maybe in their total educational programme, they could make this provision.

There is another final point to point out the simplicity of the argument advanced by the member for Menihek (Mr. Fenwick). He mentions that if you calculate normal interest rates on \$5 million, that would mean half a million to the Foundation and that half of that should go to the consumer. He is certainly oversimplifying matters because I am sure there is going to be some administrative costs by the Foundation administering this fund. There has to be some overhead. It is not just going to take place without paying people who are employed in offices. So I am sure it is the administration of the fund is going to take off some money from the top. We are not talking about \$500,000 or whatever the figure might be. If it is, by golly, it is the most profitable thing that was ever set up. There are obviously some administrative fees.

I think I have made the points. There are two matters more than anything. One is that the real estate people themselves should consider the consumer and certainly include in their overall

educational programme the consumer. Number two, there is the possibility of where a deal falls through and the fault rests with the vendor as opposed to the purchaser. Under these circumstances, I believe, the purchaser could build a case that the real estate company, the bank or whatever the situation was, held money belonging to them for X number of weeks, in which case, they lost interest. That is a case that could be made.

If I were a real estate person I could also make the case that while I held this money for two or three weeks, I was working for the client and obviously my time is worth something. I dilly-dallied back and forth between the purchaser and the vendor and I made certain approaches to the bank. There is work involved. When somebody makes an offer, a salesman takes it and goes somewhere and does some work, so there is that to be considered to.

There are all sorts of complexities and all sorts of problems and difficulties related to this. It is very easy to say that the consumer should be given their interest. There are problems involved and, again, I think what is important is education. That is the bottom line. The real estate people, I am sure, are aware of the fact that they are dealing with the public many of whom are unversed and not conversant will all the complexities involved in the purchase of a home or the purchase of any kind of substantive property. As long as the real estate people can see the necessity of informing the public, I believe that that can be a part of their programme that is in the

legislation today.

Having said that, Mr. Speaker, I support the bill with these points of reservations that I have tried to articulate.

MR. SPEAKER:

Order, please!

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:

The hon. member for Windsor-Buchans.

MR. FLIGHT:

Thank you, Mr. Speaker.

I want to take the opportunity, I will not take very long, and I suppose it can be argued, if the minister or the Speaker wishes to intercede, that the points I will raise are not totally relevant to the Legislation but it is certainly relevant to every real estate transaction that takes place in this Province. It is certainly within the purview of the minister to consider the couple of points I am going to make and to determine whether or not he is in a position to correct what I consider a very unfair practice going on in this Province.

The difficult part is that it applies, in most part, to people who can ill-afford to be forced to have to comply with certain regulations when they have to go into real estate transactions. I am talking about the fact that if a Newfoundlander today wishes to sell a property, it does not matter if that property has been sold 20 times, but there is such a thing required as a location certificate by the real estate companies or by the banks.

Now, the fact of the matter is that - and one should use St. John's specifically, I suppose - if a house in St. John's was built twenty years ago, placed on a building lot, all the surveying done, the location certificate was supplied for the original mortgage. If that individual sold that house ten times over this past ten years, the house did not move, nothing had happened, even within a year, Mr. Speaker, that person is still required to produce for the banks a new location certificate at a cost of \$300, and that is as close to a rip-off as ever one is going to get, Mr. Minister. You have the Newfoundland Surveyors Association, a member of which, Mr. Minister, may have indeed completed a location certificate a year ago. It takes a phone call from the lawyer to a surveyor who is qualified - and only Newfoundland surveyors, by the way, are permitted to issue these location certificates - it takes a \$3 phone call, if it is long distance, to determine whether the location certificate that is effective now, the last one issued on the property, be it in St. John's or in Botwood, is indeed valid. Every time that building or that land or that house changes hands, the person selling that house is hit with a fixed charge of \$300.

The minister shakes his head. The minister is a Newfoundland surveyor, he obviously has a vested interest here, but facts are facts. Call any bank in St. John's today and you will find that that bank will require, on the sale of that property, a new location certificate. Now that, in my opinion, Mr. Speaker, is complicity, that is collusion, that is a lobby that the

Newfoundland surveyors have going and we as a Legislature, and the minister as Minister of Consumer Affairs (Mr. Russell), is allowing it to sit. I do not believe, Mr. Speaker, that every time a Newfoundlander sells a house and there have been no physical changes to that property, the house has not been moved, no sheds have been built, the building lot is 50 by 100 and the house built on it twenty years ago is 24 by 60, why cannot there be an affidavit required, a simple affidavit? I think the minister should take that concern under advisement and look into the situation to see if this is, indeed, a fact and if there is not a better way. I have no problem with the individual surveyor making a dollar, but I do have a great problem with people having to pony up \$300 every time that house is sold. It is wrong, Mr. Speaker, it is something that the public of this Province is subjected to because a group of people who had a very strong lobby go to the banks, convince the banks that this should be so and the bank say yes. That is wrong, Mr. Minister. It is wrong! It cannot be justified, and in his capacity as Minister of Consumer Affairs, as it relates to land sales in this Province, the minister can take that under advisement.

Mr. Speaker, the next thing is along the same lines, appraisal. There is an appraisal required every time a property is sold. If a Newfoundlander goes out and decides to sell his property today, the funding organization requires an appraisal. If, for some reason, that deal falls through and the sale is not made, even though the property owner is holding in his hand an appraisal

that was done to complete another deal, he is now required to -

MR. J. CARTER:

It is not related (Inaudible).

MR. FLIGHT:

My point is that it really does not matter what it is related to. There is no reason, if the hon. member decides to put his house for sale today -

MR. J. CARTER:

May I make a comment?

MR. FLIGHT:

Sure.

MR. SPEAKER:

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

MR. J. CARTER:

A fair comment and I thank the member for yielding. There is a world of difference, although it is related, between selling a house and arranging a mortgage, because on the one hand you are talking about a straight sale and on the other hand you are talking about some third party risking their money and the thing the money is being risked for may or may not be worth the amount that is being asked. So it is two different situations.

MR. SPEAKER:

Order, please!

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

The member makes a point, Mr. Speaker, but it is not really a good point. I am suggesting to

the member that if he were to attempt to sell his house tomorrow and he goes to a funding source, a bank or a mortgage company, and the mortgage company agrees they will fund the transaction, an appraisal is required and that appraisal has to be done by a professional appraiser normally appointed by the lender. The appraiser goes in, he does an appraisal, turns it over to the bank and everything is fine. That costs the member or the gentleman \$300 or \$400. Let us assume that that sale did not take place for some reason, for any given good, legal reason, and three months later -

MR. J. CARTER:

What about next year?

MR. FLIGHT:

All right. Let us say three months or even a year later the person puts the same house on the block for sale and he is holding in his hand an appraisal that cost him \$400, is not more than a year old, or even less than six months old, or three months old, he finds that he is required to go out and have another appraisal done at a cost of \$400.

Now, Mr. Speaker, I am not concerned how badly this is hurting the large corporations, the larger companies who have got the means of handling that kind of expense, but for an individual who, for whatever reason, chooses to sell his house, that should not be, Mr. Speaker. Maybe one solution is a time limit. Certainly there should be a time limit if the person selling the House is holding in his hand an appraisal that was done recently. What could have happened?

The other point is, how far are we

prepared to go here, Mr. Speaker, to protect the consumer? What could have happened to a property located on Edmonton Drive in St. John's in six months that would require a new appraisal? There is a legal appraisal in the owner's hands, and the real estate agent or the bank's representative can walk in and determine whether or not there are any major physical changes that would, in effect, change the appraised value of that property at a cost of ten or twelve or fifty dollars to the consumer, as opposed to a fixed \$400 appraisal fee.

Now, Mr. Speaker, those two situations that exist are causing great hardship and unnecessary cost to a lot of people in this Province. I believe, even though it may not have been totally relevant to the legislation itself, it is worth the minister commenting on, and I believe it warrants the minister, as the Minister of Consumer Affairs, seeing if he cannot find a way around what is an insidious way of guaranteeing that certain vested interest groups make money in this Province, and they make it off the backs of people who can ill-afford that kind of thing and it is not necessary.

MR. R. AYLWARD:

Mr. Speaker.

MR. SPEAKER:

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

MR. R. AYLWARD:

I just want to take a minute, Mr. Speaker. I do not know if I should declare a conflict or not. I am a Newfoundland land surveyor. I just want to answer some of the questions.

MR. TULK:

No problem, but you are not allowed to vote.

MR. R. AYLWARD:

I will not vote then, if that is the problem. The hon. gentleman, the member for Windsor - Buchans mentioned this surveyor's certificate and why it has to be done every time -

MR. FLIGHT:

Location certificate.

MR. R. AYLWARD:

Yes, surveyor's location certificate - why it has to be done every time there is a transaction of change of ownership of a house. Now, as the member for St. John's North mentioned, there is a third party interest. It is the third party who demands the surveyor's certificate, it has nothing to do with the seller or the buyer or the surveyor or lawyers or anyone else.

I found in my dealings with land transactions in subdivisions that what happens quite often is I could be building a new home in one of the developed areas, the East end or Cowan Heights, we will say, the surveyor will go there before any development, mark the lot, and he is gone. The construction company will come in to build a house, dig up the lot, and most of the survey pins are gone, they have disappeared. So when the house is set on the lot and it comes time for a mortgage - this is the first time now - the bank asks, "Is the land there and where is it?" So a surveyor has to come in and restake the lot and show that the house is situated on that lot. The first time, nobody has any argument.

When I buy that lot there is no

landscaping done, usually, it is just raw land. The house next door might or might not be developed on either side or the back, so what happens over the next year or so, which would be the first year, I would have to get my land landscaped, which means more construction in the area, the houses on either side could be developed, and the steel bars are gone again. Now, as a property owner, I have to put up my fence. I might find a corner marker from my lot two lots up the road. I will get my buddy and haul it fifty feet or sixty feet down the road, put in the mark I think is right and put up a fence. It looks okay to me, I am satisfied, and the neighbours do not seem to have any questions. But you come along and want to buy my house. The company which is going to lend you the money is not sure, and this is not necessarily a year or five years later, it could be a month later, if I have the fence in place; the original steel bars are usually missing, so the lender will say to you, if you want to get money off them, "We want to know that the house is on the property", which it was in the beginning, when the steel bars were there, "and there are no encroachments on it." Now, no surveyor can say without going in and doing the actual survey again if there are encroachments on it. If the original certificate said it was on the lot you could say, "Yes, it is on the lot," but the encroachment part of it is very important, in that if you have ten feet of someone else's land or they have ten feet of your land, the mortgage company is financing all that land again.

So whenever a house is sold, it would be within two months, it could be in another five years,

there could be changes. So the only way for a lender to feel secure in lending money is if he knows all the land and the house is available.

An extension could have been put on the house in the meantime which does not agree with the municipal by-laws. You should have four feet and eight feet property lines on the side of your house. The City of St. John's is fairly strict about this, but there are places where you will get permission to put an extension on the back or the side of your house and it does not agree with the municipal regulations; it is too close to the property line, you cannot walk around it or you cannot fence it. These are also problems that the second or third or the fourth lender has to satisfy in his mind if he is putting his money at risk. So that is why a surveyor is always called in.

Lawyers have nothing to do with it. If a lawyer could get a certificate that is twenty-five years old that would be accepted by the lender, he would use it.

And different banks have different criteria. Some banks will take surveyor certificates that are up to five years old. Some will take them if they are up to ten years old.

Just this morning I signed a mortgage on a house that was sold or purchased four or five years ago, and the surveyor's certificate on it from that time was accepted. So the Bank of Montreal will do it, because I had it done there this morning myself. I do not recommend it. I am going to have the certificate done and the steel bars put in, because I want to know what I am

buying. If the bank wants to risk its money, that is up to them, but I want to know if the land I am buying is there? So it is for my protection, and it is for the third party's protection. That is why it is done. Now, it is not always done.

MR. TULK:

Would the minister permit a question?

MR. R. AYLWARD:

If you have a question.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

The hon. minister is somewhat of an expert in this and I will confess I am ignorant of the facts, but once you have established possession of a piece of land and it is registered with the Registry of Deeds, is it not correct to say that if you have possession of that land, regardless of who comes after you that is still your piece of land?

MR. R. AYLWARD:

Not necessarily, no.

MR. SPEAKER:

The hon. Minister of Rural Agriculture and Northern Development.

MR. R. AYLWARD:

If there are encroachments on land such as a fence - visible, occupied, adverse possession is the actual name of it - that is obvious or notorious, I think they call it, and visible and you do not object to it - you do not give them permission, but you do not object to it, you just say it is there, or maybe you do not know - I think the time limit on that is twenty years and you will become

owner of that piece of land.

MR. TULK:

Is that squatter's right?

MR. R. AYLWARD:

Squatter's rights is the common name for it, adverse possession is the proper name for it. Even with people taking a short cut across your property, if you do not fence it off or close the gate once a year or once every two years, that could become a public right-of-way. Now these things are unusual happenings. But if you are risking \$100,000 on a piece of land right now as a bank, as a third party, you are going to want to be pretty sure of what is involved.

Just to put it into some context, if you pay \$35,000 for a fifty foot lot, every inch is worth \$60. Every inch! The land under a two by four fence post is worth \$125. These are the reasons behind the requests to have location certificates presented each time a house is sold.

Now different banks have different standards, but the consumer is the one who is protected most. If you buy a piece of land and there are encroachments on it which occurred between certificates, you will want to know. You will not want to find out after you move in and get your mortgage settled away, because then you will have trouble with your neighbour, a new neighbour to whom you will have to say, Look, your fence is ten feet in on my property. You will start a war right off the bat. The worst kinds of tangles in this Province - well, I do not suppose the worst, but there are many, many problems between neighbours which are caused because of land and bits and pieces of fences.

I am sorry I went on so long, but that is an explanation of the reasoning for it.

MR. SPEAKER:

If the hon. minister speaks now he will close the debate.

The hon. the Minister of Consumer Affairs.

MR. TULK:

Mr. Speaker, I think there are a couple of other questions that members want to ask. I wonder if we could move the adjournment of the debate? Do you want to move it 'Graham'?

MR. RUSSELL:

The hon. member for Windsor - Buchans, Mr. Speaker, has already spoken in this debate. He cannot speak again.

MR. FLIGHT:

Is the minister not prepared to permit another short interjection?

MR. MARSHALL:

Mr. Speaker, it is near 1:00 o'clock now anyway, and I am sure the Minister of Consumer Affairs when he closes the debate will be happy to respond to questions. I will move the adjournment of the debate, if you like, while I am on my feet.

Mr. Speaker, I move that the House at its rising to adjourn until tomorrow, Monday, at 3:00 p.m.

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

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Second Session - Fortieth General Assembly

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