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Speaker: Honourable P.J. McNicholas

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The House met at 2:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
I wonder if I might just take a moment to correct an error which occurred late Friday, just at the adjournment of the House. I indicated that we would deal with The City of Mount Pearl Act and then the two Finance Motions, Stock Savings Plan and Venture Capital. Unfortunately, I was of the understanding that The Mount Pearl Bill had been printed. Indeed, it had not been. In fact, I relayed the information to the Leader of the Opposition (Mr. Wells) via the member for Naskaupi (Mr. Kelland). I hope he called and advised you of that.

MR. WELLS:
No, he did not.

MR. SIMMS:
He did not? I met him; he was still here in the House so I asked him if he would call you.

I also informed the member for Menihek (Mr. Fenwick).

In any event, the bill is not printed so we will not be doing it today; it looks like we will be doing it on Thursday, quite possibly, and I will indicate that at the end of the day. What we have agreed to do is to conclude the - I should not say conclude, that is a bit premature, but to carry on the debate on The Agrologists Act, which we

adjourned on Friday, and then we will get into the two Finance Resolutions in Committee of the Whole.

I might also point out, Mr. Speaker, as well, the Clerk has advised me, for the benefit of the Opposition House Leader (Mr. Tulk) in particular, that indeed on the Order Paper, Orders 27 and 28, which are showing in Committee of the Whole, are not in fact in Committee of the Whole, they are still second readings; one was adjourned, The Legal Aid Act, the Conveyancing Act we did not get to yet. I do not know why it is there. It is just a minor error. Thank you, Mr. Speaker.

MR. RUSSELL:
Mr. Speaker.

MR. SPEAKER:
The hon. the Minister of the Environment and Lands.

MR. RUSSELL:
Mr. Speaker, I rise today on a point of privilege to make a few remarks pertaining to a story which appeared on page 8 of yesterday's edition of The Sunday Express -

MR. PATTERSON:
You do not read that, do you?

MR. TOBIN:
You do not read that, do you?

MR. PATTERSON:
That is a rag.

MR. RUSSELL:
- entitled 'Committee recommends Fall sitting'. It is unfortunate, Mr. Speaker, that the hon. the Leader of the New Democratic Party (Mr. Fenwick) is not here; I do not know if he is going to be here this afternoon or not. This is

the first opportunity I had, obviously, to raise this. To be quite honest with you, Mr. Speaker, I do not care if he is here or not, I am going to raise it anyway.

Mr. Speaker, sometime ago, at the end of the last session, the then Government House Leader appointed a Select Committee, or it has been acting in terms of a Select Committee to review the rules and procedures of this Legislature. The committee have met on several occasions, and, in my opinion, up until now at least, except for the hon. Leader of the New Democratic Party, we have had excellent co-operation and we have been making some progress.

Mr. Speaker, I was amazed yesterday when I heard, and then subsequently read, the report I referred to earlier which appeared in **The Sunday Express** containing very factual evidence, and we might as well admit it, of the topics, at least, which were discussed by this Committee and which, I understand, were discussed by the official Opposition caucus and which, I understand, were discussed by the hon. Leader of the NDP and his one other member.

This caucus, Mr. Speaker, on this side of the House, will deal with the matter this coming Wednesday, although, I suppose, it might be kind of water under the bridge since it is all out in public now anyway.

Mr. Speaker, I have to be somewhat critical of **The Sunday Express**, although I do not particularly blame them for printing the information. I do think they owed either myself as Chairman or the Vice-Chairman, or somebody, the

courtesy of a telephone call telling us they had this kind of information and asking if we would be kind enough to make a comment on it or what we thought of it all.

MR. MORGAN:

Very poor journalism, that is what it is.

MR. RUSSELL:

Mr. Speaker, I think the privileges of all members of this Legislature, particularly the members of this Committee, have been breached. I refer to Beauchesne, page 203, section (647), 'Premature Disclosure of the Report' and I quote: 'No act done at any committee should be divulged before it has been reported to the House. Upon this principle the House of Commons of the United Kingdom, on April 21, 1937, resolved "That the evidence taken by any select committee of this House and the documents presented to such committee and which have not been reported to the House, ought not to be published by any member of such committee or by any other person".' Now, Mr. Speaker, that is very clear.

In referring to the article in **The Sunday Express**, Mr. Speaker, Newfoundland's answer to **The National Enquirer**, the hon. the Leader of the New Democratic Party has been quoted and I will just read the last paragraph for now: 'According to Mr. Fenwick the reform package has the potential to change the House of Assembly from "a speaking gallery and a rubber stamp" into a "significant" instrument for provincial policy making.'

For any hon. members, Mr. Speaker, who read this article and who have the document which was circulated

by a member of the Table marked 'confidential', by the way, 'to all members of this Legislature', and then have the audacity to report this, because there is no way, in my opinion, Mr. Speaker, that the reporter who published this story could have done this without either seeing the report itself or having it read out to her by the member in question.

Mr. Speaker, I refer to a document of Erskine May called 'Premature Publication or Disclosure of a Committee's Proceedings or Evidence: 'By the Ancient Custom of Parliament "no act done at any committee should be divulged before the same be reported to the House." Upon this principle the House of Commons, on 21 April, 1837, resolved this matter,' and they go on to talk about that. Over in another section, Mr. Speaker, 'Publication of evidence taken before select committees before it is reported to the House. - It is a breach of privilege for any person to publish or disclose any portion of the evidence given before, or any document presented to, a select committee before such evidence or document has been reported to the House.'

Now, Mr. Speaker, it is, in my opinion, a very serious breach of privilege. There is no question about that in my mind, but Your Honour will rule on it, of course, as Your Honour always does. The Leader of the New Democratic Party, Mr. Speaker, has, in my opinion, carried out a very unfair act to the members of his committee, to this Legislature, to the members of the House and to this ancient institution.

Mr. Speaker, I know there are others who perhaps would like to

speak to this, but I am seriously contemplating whether or not I will continue to serve on this committee if the hon. member continues to be a member, and I am prepared to do something else about it. Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I wish the member for Menihek, the Leader of the other caucus, was in this Legislature today. It is unfortunate that he is not. I support the point of privilege raised by the Minister of the Environment and Lands (Mr. Russell), the member for Lewisporte. It is of grave concern to all of us in this House that this kind of act can be carried out, and that a document which was circulated confidentially, which I gave to my caucus and then took back because we wanted to maintain a certain confidence, it is indeed unfortunate that the member for Menihek, to whom this article has to be attributed - I do not believe there is any doubt about this, unless there is some sleight of hand by a reporter - or any member of this Legislature, would take a document that is to be compiled in confidence and reported to this House and let somebody read it.

As the member for Lewisporte, the Minister of Environment and Lands said, if you look at the report in **The Sunday Express**, then there is absolutely no doubt that the person who wrote the article

either had to see it or somebody else had to write the article for them, because many of the words, many of the sentences, and many of the paragraphs contained in that article are verbatim, not from the Committee's finalized report, but from the summary that was presented to our caucus.

I have nothing to say about **The Sunday Express** reporting this, because that is the nature of journalism. If you get a document, then you report it. That has always been the case, and I have nothing to say about a newspaper which does it. I do have something to say about the person who carries out this kind of act, especially if you are a parliamentarian.

There may be a question arise in this point of privilege as to why it was important to this Committee that we not go around laying out exactly what the Committee was discussing from meeting to meeting or what the Committee was discussing at any particular point. Why was it important? This Select Committee, by the way, was proposed to the former Government House Leader, who is now a Senator, and myself as the Opposition House Leader, by the member for Menihek last year, just before the Legislature closed, so that perhaps we could upgrade the rules of the Legislature somewhat. We thought it was an admirable thing to do and we put together the Committee.

Now, why did we not want to have this kind of public disclosure? Why does the Committee not want to have it? Well, it is no secret that a Select Committee of this Legislature is made up of partisan parties - you have the governing party, in this case the P.C.

Party, the NDP and the Liberal Party, and if we are going out making public statements, it is obvious that we are not going to serve the kind of role we want to serve as parliamentarians. It is very obvious that that would not be the case, because we would find ourselves bickering over politics rather than over the parliamentary issues we were discussing. We had an agreement in that Committee - this is perhaps the most dastardly act of all - seven members of us who sat not as politicians representing a political party but as parliamentarians hoping to bring about some rule changes to make this House more functional. That was the intent of saying, 'Let us keep this within the confines of these walls.' If we have witnesses publicly, of course, it is public knowledge. Any discussions we have are not public knowledge. When we present this report, hopefully we as parliamentarians can present a unanimous report to our Legislature so that we can have consensus on what the governing party of the day does in changing the rules of the Legislature.

Well, that has been broken, that has been thrown to the wind by the whims of one man, one person, the headline seeker, the person who comes into this Legislature and begs to get on committees.

Mr. Speaker, I ask this Legislature how can you trust that gentleman or any other gentleman who is going to break the confidence of seven of his peers, parliamentarians, who sat on a Committee to put together a report for this Legislature? It cannot be done. This is the same gentleman who signed his name to a report called **Tools for the Job**, asking for something like a 25 to

31 per cent raise for MHAs, and then, when we got a 6 per cent raise, spoke against it. That is the same gentleman.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

That is the same gentleman who came into this Legislature and voted one day for NATO, on next day voted against it, and then the next day scuttled out of the House. Now, that is the kind of confidence you can have in that gentleman.

Mr. Speaker, as I said, we had an agreement. I am not going to refer to all the references the hon. gentleman referred to, but I would refer to one from Sir Erskine May. It is very clear that this is a breach of privilege. "The publication or disclosure of proceedings of committees conducted with closed doors or of draft reports of committees before they have been reported to the House will, however, constitute a breach of privilege or a contempt." It is very clear cut. No room for debate. The only thing that remains to be nailed down in concrete for this House is whether the hon. gentleman is quoted correctly in the newspaper. That is the only thing that needs to be confirmed. I suspect he has. If indeed he has, and if indeed this House finds that he has, then I am prepared not to move away from the Committee myself, as the member for Lewisporte, the Minister of Environment and Lands suggested. I think that would be giving into something that I would stick another name on if I were not in this Legislature. I am not prepared to do that, but I am prepared to move a motion that the

hon. gentleman be expelled from sitting in on further meetings of that Committee as we deliberate further. I am prepared to do that.

MR. RUSSELL:

On any committee!

SOME HON. MEMBERS:

On any committee!

MR. TULK:

Or any committee. Well, any committee which I would want to be a part of, but certainly this Committee. I think this Legislature should ask the hon. gentleman to leave this Committee. He has certainly misused the trust, the privilege of fifty-two parliamentarians in this Legislature, because the agreement was there among seven of us that there would be no statements made to the press.

I found myself all day, to be quite frank with Your Honour, with some news media persons - and I do not blame them - calling in and saying, 'Would you make a comment on this report? This has been published and that has been published.' I found myself saying, 'No, I am sorry.' 'Well, would you confirm that this statement is true?' You are almost put in the position where you have to tell people a lie, that, indeed, that is not in the report. Because even though the secrecy has been broken, I do not want to further compound the problem by saying, 'Yes, indeed, that is correct or this is not correct.'

Mr. Speaker, if this House finds there has been a breach of privilege in this Legislature, I am prepared to make the motion to have the hon. gentleman expelled, if you want, from that Committee.

SOME HON. MEMBERS:

Hear, hear!

MR. LONG:

Mr. Speaker,

MR. SPEAKER:

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

MR. LONG:

Mr. Speaker, I do not have a whole lot to say on the -

MR. YOUNG:

You should sit down, boy. You have some face to get up.

MR. LONG:

-- point of privilege which has been raised. I understand that the Minister for Environment and Lands, as Chairman of the Committee, is concerned about the process that has occurred in the last couple of days. I would say simply, as one member of this House who is following quite closely the proceedings of this Committee, that I was concerned about the process of the Committee and how its report was going to find its way to the House. I am not in any way prejudging the events that have occurred, but my own understanding, having had a conversation with the member for Menihek, who is in his district today and will be here tomorrow, and I am sure will be able to speak for himself, is that there was an understanding among members of the Committee that the interim report, which had been prepared by the Officers at the Table and which was given to all three caucuses, sometime ago had been presented to each of the caucuses. I understand the Liberal caucus had a discussion, as did myself and the member for Menihek, reviewing point by point the very important work of this

Committee.

I understood the member for Menihek was told by the member for Humber Valley, who is the Chairman of the Government Caucus, that an undertaking was given that this report would be discussed at the Government Caucus meeting on two different occasions. And I believe an innocent difficulty arose with the process, in which the member for Menihek had an understanding about how the report would become public amongst the members of the Committee after it had gone to the caucuses, and he evidently had a conversation with a person from the media on the understanding that the report was going to soon be a public document.

SOME HON. MEMBERS:

Oh, oh!

AN HON. MEMBER:

Do not be so foolish!

MR. SPEAKER:

Order, please!

MR. LONG:

I am not trying to give a full account of what happened with this series of events, I am simply trying to say, from my own position, my understanding was that any day this report would have been tabled in the House, after discussion in all three caucuses.

I think what happened here is that the representative from our caucus on this very important committee had his own understanding of the process and acted in good faith, I believe, based on conversations with the Liberal Caucus and the Chairman of the Government Caucus. Beyond that, I am not going to say anything further at this point - I think a fair

question has been raised - except to say that I believe the member for Menihék was acting in good faith in trying to make sure that this important report was dealt with in some fashion.

All members of this Committee have been working long hours for the last eight months to prepare this report. The member for Menihék was quite concerned about the eventual delivery of the report. Mr. Speaker, the member for Menihék will be here in his place tomorrow, and I am sure we can take the issue further.

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
I would just like to have a brief word on it. In fact, my preference would be to reserve my right to speak to this point of privilege, because I feel quite confident that Your Honour will probably want, before he makes a ruling, to give the hon. member the appropriate opportunity to explain his actions, and that is the normal procedure. However, I might just as well go ahead now and say my piece, and presumably, if Your Honour allows the hon. member tomorrow to explain his actions it will be brief, because that is the normal procedure.

What we heard in the way of an explanation by the member for Menihék's seatmate, the member for St. John's East (Mr. Long), has no relevance at all to the serious breach of privilege that has occurred with respect to what the member for Menihék has done. Whether the hon. member for St.

John's East feels that the member for Menihék was concerned about the report getting out properly and all that, is not relevant. It has no relevance at all. There is a sacred parliamentary tradition, a sacred parliamentary practice, which has been in existence for centuries, which says what the member for Lewisporte said and says what the member for Fogo said, in quotations, and there is another one, Mr. Speaker, that I might as well throw into the mix for your anyway, because they are all basically the same. This one deals with select committees specifically. 'In the Commons, any publication of a draft report, which has been submitted to a committee, before such report has been agreed to by the committee and presented to the House, is treated as a breach of privilege.' It is cut and dried, clear as anything. The member for Menihék, I suppose, has to explain his actions at the earliest opportunity, which, I hope, will be tomorrow. I would like to hear his explanation.

I must say the Chairman of the Select Committee called me yesterday and he was really upset about the matter. I then bought a copy of the paper and had a look at it myself and, I must say, I was very upset with it. But just to clarify a point. The member for St. John's East leaves the impression that the committee had agreed, once the caucuses had looked at this report, that it would then be tabled in the House. My understanding is that the committee had agreed to discuss the items, because they are only recommendations at this stage by the committee - they are only recommendations - to the individual caucuses, and after the caucuses had their input - not all

the items are going to be agreed to by everybody in every caucus -- I understood that then the three representatives, the Vice-Chairman, the Chairman, and other members of the committee, including the member for Menihek, were to come back as a committee and then try to put together a final draft that, obviously having gone through the caucus process, would probably be most acceptable to all of the House. That is what a committee attempts to do, so to suggest somehow or other that the process simply was to go to caucus meetings and then it would be tabled here in the House is not accurate. I do not know if the hon. member was kidding us or what. Perhaps he did not understand that particular process. In any event, Mr. Speaker, that is the process. This caucus, on this side of the House, has not dealt with the report.

AN HON. MEMBER:

That is your problem.

MR. SIMMS:

Of course, it is our problem, but certainly you should respect the difficulties that we may have in dealing with the report. We have lots of things to deal with. In the case of the caucus last week, I think the Premier was absent. It is a major, significant matter and we want to make sure the Premier -- I was absent, and I am the House Leader for the government side. So it is important that we be there to have some input into the discussion on these matters. That is the only reason. It is not because we are not trying to deal with it. It is no big deal! You deal with it. There are some good things in it and there are some things not so good, which I do not like

personally.

But the fact of the matter is, Mr. Speaker, the member for Menihek has broken a code of ethics that has been observed by parliamentarians, even the slipperiest parliamentarians in history; if you read back over 300 years or 400 years, even the slipperiest would never stoop so low as to release a report, or release the contents of a report to the press prior to the House itself and prior to the committee itself having approved it. This has not been approved by the committee yet.

What I find funny about it all, Mr. Speaker, is that the member for Menihek, in his high and mighty and pious way, frequently gets up here in the House and likes to quote from Beauchesne and say: 'Oh, you are wrong,' or 'You're picky,' or he picks this out or that out. Mr. Speaker, here he, himself, the one who tries to give the impression that he knows the rules, has broken a rule and he should be severely punished for it. I can tell Your Honour that if Your Honour rules that indeed there is a point of privilege, and a breach of privilege, which I cannot see how, Your Honour, can get away from unless the member absolutely gets up and denies everything, I would be prepared to support such a motion as that described by the member for Fogo, or, indeed, I would be prepared to move it, whatever the process is. I think the idea of removing him from the committee would perhaps be a most appropriate direction to take, and maybe even future committees.

Personally, I do not know how you can ever trust the gentleman to serve on a committee again. That

is my own feeling.

MR. SPEAKER:

I would like to hear from hon. the member for Fortune - Hermitage briefly on this matter.

MR. SIMMONS:

Mr. Speaker, it is unfortunate that the member for Menihok is not here, but as the minister in raising the point has noted, he had to raise it at this particular time. I want to support the minister's point of privilege. I think it is a genuine point of privilege.

It is substantially to the credit of that minister, by the way, that the committee has worked so well in getting a consensus on a far-ranging number of issues, and that consensus was able to be built largely because it was well understood by the members of the committee that we would operate within the normal framework of parliament, that is to say, we would not be bandying about draft reports or shooting off at the mouth to people outside the seven. We did not even talk to our own caucuses until the committee decided it was time to go back to the caucus, and that is the part of the process we are involved in right now.

I just want to say in passing, Mr. Speaker, that I do not believe the press is at all to blame here, I think the reporter did what any good reporter would do when information came into his or her hands. I believe the minister had a wild moment there when he made some allusion to the **National Enquirer**, which does nothing to dignify his point of privilege and I would not want to be associated with that. Otherwise, I am certainly associated with his

point of privilege.

Mr. Speaker, there is a word of caution, of course. We really do not know how this report came into the reporter's hands, whether, for example, the reporter had it and then talked to the member about its contents, or whether, indeed, the member took the initiative in acquainting the reporter with it. But, whatever the case, it is clear from the account in the paper that the member discussed quite freely the contents of the draft findings of the Committee, and that is what constitutes the breach. How the report got into whose hands is entirely beside the point.

Mr. Speaker, the member for Stephenville and I were in Menihok a year or so ago and we were given some information by some community people up there, in a meeting, and I instinctively said to the community leader, 'Did you acquaint your member, the member for Menihok, with this information?' His reply was cryptic and very instructive. He said, 'No, we did not want to read it in the newspaper tomorrow morning.' We did not want to read it in the newspaper tomorrow morning. Since then, I have been particularly on my guard about the kinds of things I say in the presence of that particular member.

Now, Mr. Speaker, I want to appeal to the minister. I understand he is frustrated. The answer to that is not to remove himself. He has done nothing out of the ordinary here. He is not the problem here at all. We have had a good consensus on this Committee, and hopefully we can all keep our heads and bring the consensus to its logical conclusion. If somebody is mucking up, it is not

the minister. I believe the member for Fogo had a solution to that particular problem, which I might be inclined to support at the appropriate time, because I do not see how we can continue to sit with that member unless he has some awfully good explanation.

Finally, Mr. Speaker, to the member for St. John's East, what I heard him say was that he was suggesting the government caucus was dragging its feet on this and the member for Menihek took matters into his own hands. If that is a fair account of what he said, two points: The first point is that he admits to the House that the action of the member for Menihek in talking to the press about this was not inadvertent, was not one of those bad moments we all have from time to time where you blurted something out and wished your cake dough after, it was something he set about quite deliberately to do because the government caucus was not moving fast enough to please him, so he was going to do the work of the government caucus for the government caucus.

Mr. Speaker, let me submit, finally, that this process, since it went to the caucus, has not taken an undue time. The Committee last met, I believe, on May 25 or 26, and the draft report was circulated on May 30. So we are talking less than three weeks. And given a caucus of twenty-five members, which must have other items on its agenda besides this one, however important we may think this one, three weeks -

AN HON. MEMBER:
(Inaudible).

MR. SIMMONS:

That is right. Three weeks is not an undue time, I submit, Mr. Speaker, for this to have been still under deliberation by the government caucus. But that is all beside the point. Whether three weeks or ten months, it does not allow members of this House to take the rules of the House, and the precedents recorded by Beauchesne and others, to be torn to shreds. That is what the member has done here and that is what constitutes the breach. I support the point of privilege.

MR. SPEAKER:
Order, please!

From what I have read and from what I have heard today, I could rule on this matter right now, but I think it only fair to wait until tomorrow, and if the hon. the member for Menihek is here tomorrow I will certainly hear him, and if he is not here tomorrow I will rule on the matter.

Oral Questions

MR. WELLS:
Mr. Speaker.

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

MR. WELLS:
Mr. Speaker, in the absence of the Minister of Justice (Ms. Verge), the Premier and the Deputy Premier (Dr. Collins), I will have to settle for the President of the Council (Mr. Simms), if he does not mind. I ask the President of the Council if the government is aware that the federal government appears to have made a decision as to the location in Newfoundland for the new federal penitentiary.

The news media reported on the weekend that the hon. Mr. Crosbie had indicated that he expected an announcement to be made within the next month to relocate the penitentiary near St. John's? Is this accurate and is government aware of this?

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
Well, Mr. Speaker, I am not aware that the government is aware formally of the site or the location for a new federal penitentiary. I am aware that this government has long been fighting for a federal penitentiary to be located in this Province, and indeed I believe this government took a provincial position as to our preference for the site, knowing full well, of course, that the decision was totally a federal decision. And we made our position known to the federal government. Indeed, I believe it is public, is it not?

SOME HON. MEMBERS:
Yes, it is public.

MR. SIMMS:
We suggested and recommended that Buchans, in the hon. member's riding, would be a good site. So we made that known to the federal government some time ago, and we also made it known to the people of Buchans and to the community leaders there who are working so hard to try to see that it gets located in that particular district. But I am not personally aware.

MR. WELLS:

Mr. Speaker.

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

MR. WELLS:
Is the government now prepared to take further action to impress upon the federal government that such a prison ought to be located in Buchans for two very good reasons, first, because it is centrally located and would serve the Province better, and secondly, because this Province will cease to exist as a Province if everything that is economic is located only on the Avalon Peninsula and if rural Newfoundland is gutted of all economic activity?

SOME HON. MEMBERS:
Hear, hear!

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
Well, Mr. Speaker, I think our policy in that regard is similar to the policy of the Liberal Government: the hon. member was part of twenty years ago. We have attempted, and have in fact on many occasions decentralized government services throughout this Province enormously over the last ten or fifteen years. So that is our practice, that is our philosophical practice and our philosophical feeling.

With respect to further representation to the federal government, I mean, I am sure we will have no difficulty with that, although it would be a bit

redundant because we have in fact already done it, and I do not know but it might have been a couple of years ago, perhaps. So our position is on the record, it is well known. And it has been there not only for the couple of reasons that the hon. member mentions but for many, many other reasons, of course, that the hon. member did not refer to. Perhaps I can get my colleague, the Minister of Justice, to give the hon. member, when she returns, a copy of the correspondence to give him some idea of the presentation on the case that we made and for what reasons.

MR. LUSH:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Bonavista North.

MR. LUSH:
I have a question for the Minister of Municipal Affairs (Mr. Brett). The minister, no doubt, is aware that over the past few years the provincial government has been imposing one financial responsibility after the other on the already financially strapped municipalities throughout this Province. In this respect, I ask is the minister aware of a recent letter from the Department of Transportation sent to all municipalities throughout the Province advising them of the Department of Transportation's decision to discontinue its most convenient and economic arrangement with councils, namely, the storage of ice control? Is the minister aware of this, that a letter was sent from the Department of Transportation to all municipalities notifying councils of the Department of Transportation's decision to

discontinue this arrangement with councils, namely, the storage of ice control materials? Is the minister aware of this?

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

MR. BRETT:
No, Mr. Speaker, I am not aware of that. I suggest that question should be directed to the Minister of Transportation (Mr. Doyle). Obviously he has more knowledge of it than I do.

MR. LUSH:
A supplementary, Mr. Speaker.

MR. SPEAKER:
The hon. the member for Bonavista North, a supplementary.

MR. LUSH:
Well, I inform the minister that this has been done, and I am just wondering now what the policy is going to be. What is going to be the alternate policy? Because, obviously, if councils have to construct these storage sheds for ice control, it is going to cost them millions and millions of dollars. This is going to happen in the year 1989 - 1990, and the minister is saying he is not aware of it?

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

MR. BRETT:
No, Mr. Speaker, I repeat, I am not aware of it, and, therefore, I suppose I would not be expected to be able to give any details on it.

Again I suggest that the hon. member direct his question to the Minister of Transportation.

MR. LUSH:
All right.

MR. DOYLE:
Mr. Speaker.

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

MR. DOYLE:
Mr. Speaker, I thank the hon. member for his question. I thank the Minister of Municipal Affairs for the opportunity to answer it.

This did indeed occur back about three weeks ago, through a misunderstanding that happened within the engineering department in which a letter was sent from the engineering department to each of the municipal councils around the Province informing them that they were to take delivery of their own ice control materials starting this coming Winter.

When I became aware of it, Mr. Speaker, I immediately issued a memo to the engineering division informing them that this is not what I would want to see happen, and that they should immediately send a similar memo to the various councils in the Province. I have informed the Federation of Municipalities that this decision has been reversed.

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
The decision has been reversed and the Department of Transportation will continue its previous policy of taking delivery of ice control material and councils have no need to worry about it.

SOME HON. MEMBERS:
Hear, hear!

MR. LUSH:
Mr. Speaker, a final supplementary.

MR. SPEAKER:
A final supplementary, the hon. the member for Bonavista North.

MR. LUSH:
Mr. Speaker, I cannot believe this. This is incredible! Were the Department of Transportation not considering doing this?

MR. SPEAKER:
Order, please!

Would the hon. member please ask a question?

MR. LUSH:
Mr. Speaker, I thought I started it off with 'were'.

Were the Department of Transportation not considering this policy, Mr. Speaker, were they not considering this policy, having had the letter sent out to councils? Now the minister is caught in the embarrassing position of having to reverse it.

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

MR. DOYLE:
Mr. Speaker, the Department of Transportation was not considering that policy at all. Some discussions had occurred within the Engineering Division with some larger municipal councils around the Province which were capable of taking delivery of their own ice control materials. Through an oversight, through a misunderstanding the Engineering Division had with some of these municipal councils, they thought that the policy was to be applied universally to all councils across the Province, and the letter

reflected that thought of the Engineering Division in the discussions that they had with two or three municipal councils. When I became aware that a letter had been sent to all councils in the Province, I immediately issued a memo to the engineering people within the department informing them that this would not be a practical route for my department to take at this point in time, that I was more than familiar, having been Minister of Municipal Affairs for three and a half years, with the problems that most councils have in storing this ice control material because they did not have the facilities to do it.

As a result of that, I issued a memo that a letter would be sent to every single council in the Province saying that this decision was reversed, that the Department of Transportation would indeed continue its policy of taking delivery of ice control materials for the various councils. As recently as last night I signed a letter to the Federation of Municipalities informing Mr. Smith of the Federation of Municipalities that, should any council enquire about that policy, they could inform these councils that we would indeed be taking delivery of ice control materials.

MR. BAKER:
Mr. Speaker.

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

MR. BAKER:
Thank you, Mr. Speaker.

I have a question for the Minister of Newfoundland and Labrador Housing (Mr. Peach). The matter of urban RAP is of concern to the town of Gander, because there are

a lot of houses more than thirty years old, many of them owned by people on fixed incomes. I would like to ask the minister, Mr. Speaker, in the urban RAP program, on what bases are decisions made as to where this urban RAP money is spent in the Province? What is the criteria that the minister's department uses to distribute this money?

MR. SPEAKER:
The hon. the Minister of Newfoundland and Labrador Housing.

MR. PEACH:
Mr. Speaker, the RAP funding that we spend throughout the Province is allocated by the people in our department after assessing very carefully where the greatest needs would be. I think we will find out in rural Newfoundland there are many communities which have older homes. It has been done by careful assessment carried out by us and by CMHC. Apart from the greatest need, I guess it is done on the basis of the housing stock we have out there and what houses are oldest and need the most repair. It is allocated regionally to be spent in that manner.

MR. BAKER:
Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. the member for Gander.

MR. BAKER:
Mr. Speaker, the budget last year for urban RAP for the Province was \$4 million. Can the minister explain how the Gander office of NLHC responsible for the urban RAP, did not get allocated one single cent even though there is a need there?

MR. SPEAKER:

The hon. the Minister of Newfoundland and Labrador Housing.

MR. PEACH:

Mr. Speaker, there are parts of the Province where the needs are not as great with urban RAP as others. Just to take one example, the last part of the Province to have RAP extended to at all was the Trinity - Conception Bay area which was done by my predecessor, now the Minister of Mines (Mr. Dinn), just some two and a half years ago. It was not put into that area up to that point in time because of the fact that there were other areas of the Province that had a much greater need, where the housing stock was such that more repairs needed to be done. I am sure when the Gander area was assessed it was felt in a given year that probably a concentrated effort should be given in one area more than in another, or funding is not distributed on an equal basis, so, Mr. Speaker, it is quite conceivable that, out of \$4 million, \$1 million might be spent in Trinity - Conception and \$200,000 in the Stephenville office because of the needs that are there.

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. BAKER:

Mr. Speaker, the minister should know what I am talking about urban RAP and there are very few centres involved. How can the minister explain to those dozens of people in Gander who have complained to me that they cannot get anything approved the fact that the reason it cannot be approved is because

there is not one single cent allocated in the budget? Is this another example of the pork barreling that is going on on that side?

MR. SPEAKER:

The hon. the Minister of Housing.

MR. PEACH:

No. Mr. Speaker, I can assure the hon. member that there is no pork barreling going on in the delivery of our RAP programs to any part of this Province.

The fact of the matter is, Mr. Speaker, if the member for Gander is frustrated, I think he should probably take a note out of my book, because the area that I happen to represent, as the member for Trinity - Bay de Verde (Mr. Reid) can attest, had had the same problem, basically because of the fact that the program has not been in place long. The member for Port de Grave (Mr. Efford) raised with me some time ago, in fact in our Estimates Committee meetings, the need for an expansion to that office and the need for increasing the number of inspectors. Out in the Conception Bay office, which happens to be situated in Carbonear, I think the last count I had there were over 1,000 people waiting, Mr. Speaker, and we have allocated, probably, close to \$1 million there this year. It is a fact, Mr. Speaker, that the money has been allocated, it is being spent in the proper way after proper applications have been made, and proper inspections carried out. I can assure the member that there is no pork barreling.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, I had a question intended for the Minister of Health (Dr. Collins), but I will ask the President of Treasury Board in his place. It is concerning the scheduled demonstrations by the nurses and support staff at the Health Sciences Complex today. It is mainly because of the twenty-five, or thirty now, layoffs that were quoted by the administrator this morning on radio.

I would ask the President of Treasury Board, who controls the purse strings or has some control over them: Is his government taking into consideration the seriousness of the health situation at the Health Sciences Complex? Is his Cabinet or government going to allow those layoffs to occur just for the sake of not providing that hospital with sufficient funds to prevent those layoffs?

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Thank you, Mr. Speaker.

I thank the hon. member for his question. I did have an opportunity just before the House opened to speak to the Deputy Minister of Health to get a bit of an update on it for my own edification, just in anticipation of such a question. I can tell the hon. member right now that this government will be considering some measures that will hopefully address the difficulties that are being talked about, I guess, at the Health

Sciences Complex and, indeed, maybe elsewhere. But we are presently getting something put together and the government is going to be reviewing it and is addressing it.

MR. EFFORD:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Port de Grave.

MR. EFFORD:

Thank you, Mr. Speaker.

Just to add a little bit to that, I would ask the President if he, as a member of Cabinet, or his Cabinet is aware, if the Minister of Health has told the Cabinet, that the seriousness of the situation has now escalated to a number of doctors, specialists, at the Health Sciences Complex -

MR. SPEAKER:

Order, please!

MR. EFFORD:

- who are talking about leaving, if, number one -

MR. SPEAKER:

Order, please!

MR. EFFORD:

I ask is he aware, Mr. Speaker, of this situation, that a number of specialists, one of them being a cancer specialist at the hospital, are talking about leaving and are already negotiating with out-of-Province hospitals? Is the President of Treasury Board aware of that situation?

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

No, Mr. Speaker, I am not personally aware of that specific incident of the one doctor that the hon. member refers to. I do know that over the years medical practitioners have gone to different parts of the country, or indeed outside of the country for different reasons. But I am not personally aware of that specific example.

MR. EFFORD:
Mr. Speaker.

MR. SPEAKER:
A final supplementary.

MR. EFFORD:
I ask the President of Treasury Board, given the seriousness of the situation and that we cannot afford to lose any more specialists, will he check to see the reason why we are losing them? I am telling the minister there are six doctors now talking about leaving the Province. Would you have that investigated and report back if the reason is because of the circumstances in the hospital and the financial system they have to operate under?

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
Mr. Speaker, I was in Grand Falls over the weekend, and a good friend of mine, a medical doctor there, is leaving to go to Guelph, Ontario. He is not going because there is any problem at the hospital or with services or anything, but because he wants to go to other pastures, I suppose, not necessarily greener ones but other pastures. So that is not a

phenomenon, that happens occasionally and periodically, and has happened over the years. Back in the 1960s when your leader was a member of the Cabinet, I am sure there were doctors who left Newfoundland to go elsewhere for other reasons.

But I will certainly pass the question on to the Minister of Health and the officials in the Department of Health to have a look at that particular matter. No problem.

MR. LONG:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for St. John's East.

MR. LONG:
Mr. Speaker, in the absence of the Minister of Justice I will also put a question to the Government House Leader. In his capacity as Government House Leader, in light of his own responsibilities for these matters, could he advise the House whether we can expect to see long promised amendments to The Human Rights Code of this Province, which come out of reports sent to the Justice Minister some sixteen months ago, from representatives of the Human Rights Commission and the Human Rights Association, introduced by the Minister of Justice, brought forward in this session of the Legislature?

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
Mr. Speaker, I have to get an

update on that particular matter specifically. All I can tell the hon. member is that the Minister of Justice is a very, very staunch and strong advocate of this particular legislation and has been working hard to try to see that it is introduced in this particular session, but obviously we do not have it yet. I do not know how much longer the House will be sitting, not much beyond the middle of July, I hope. So I really cannot answer the question, but I will take notice of it.

MR. LONG:
Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. the member for St. John's East.

MR. LONG:
Mr. Speaker, I would like to ask the House Leader would he consider, in light of the very strong representation by members of the human rights community in this Province, the absolute necessity of revising a very outdated Human Rights Code, especially in view of the fact that this year marks the Fortieth Anniversary of the International Declaration of Human Rights, that the minister will do everything in his power to bring forward an introduction -

MR. SPEAKER:
Order, please!

The hon. member is making a speech instead of asking a supplementary question.

MR. LONG:
I am asking the Government House Leader, responsible for the business the government brings forward, will he do everything he can to bring forward amendments to

the Human Rights Code, presuming that the Justice Minister has some prepared for the government?

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

MR. SIMMS:
Mr. Speaker, I can only refer the hon. member to the legislative program which I tabled back in early March, three months ago, probably, and a vast majority of the legislation in that program has been tabled and, indeed, we have dealt with a fair bit of it in Second Readings. On that list, under the Department of Justice, is a new Human Rights Act.

Now, there is a draft bill, I understand, being prepared. So, indeed, we are working towards it. The Minister of Justice is a strong advocate of it and is pushing it, but I do not know exactly where it stands right now. It has not, obviously, been printed or it would have been tabled and we would have given notice of it. But I will check into the matter and I will do everything I can. If it comes to me as House Leader I will certainly ensure it gets on the legislative program.

MR. LONG:
A final supplementary, Mr. Speaker.

MR. SPEAKER:
A final supplementary, the hon. the member for St. John's East.

MR. LONG:
I would simply ask the House Leader - I appreciate the undertaking he has given - is the House Leader aware that, in the absence of revisions to the Code to address the issue of primacy of this act, that our present Human

Rights Code, unamended, is a useless document in prohibiting discrimination for people in this Province? Is the House Leader aware of this fact?

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Well, Mr. Speaker, the hon. member is stating that it is a fact. I learned a long time ago not to take everything the hon. member says as fact. There is legislation now which obviously needs revision, and that is precisely the reason why I just explained to the hon. member the government has been proceeding along the lines of introducing a new Human Rights Act. We intend to pursue that and hopefully before the middle of July or so, if the House is still sitting, we should be in position for certain to have it, but maybe even before that. It all depends.

MR. GILBERT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

I have a question for the Minister of Transportation. We have finally heard that agreement has been reached to close the Newfoundland Railway. I have also heard that the agreement will be signed within the next few days. Now I wonder will the minister inform this House if a perpetual maintenance agreement for the Newfoundland and Labrador highway system is included in this railway agreement?

MR. SPEAKER:

The hon. the Minister of

Transportation.

MR. DOYLE:

I admire the hon. gentleman, Mr. Speaker. He keeps trying and trying. And I guess I have to give him the same answer I gave him a couple of weeks ago when he asked a similar question on the railway, that no agreement, as of today, has been reached on the disposal of the Newfoundland Railway. It is no secret that talks are ongoing between the federal government and CN and the provincial government with respect to that whole matter.

If and when an agreement is reached on the Newfoundland Railway, the hon. gentlemen and members of the House are going to be informed accordingly.

MR. GILBERT:

Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

Well, Mr. Speaker, in view of the serious problems that the government is having in providing health care and social services, and to make sure that the highway system does not become a series of potholes from St. John's to Port aux Basques, will the minister guarantee that a maintenance agreement is included in the Railway closing agreement before it is accepted by Newfoundland?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

Mr. Speaker, all of these things, and many, many more indeed, are part of the negotiations, I

suppose, that are ongoing.

MR. SIMMS:
Discussions.

MR. DOYLE:
Discussions are ongoing between the Province and the federal government. I am not going to get into with the hon. member what the negotiating process is all about. He knows full well that it cannot be discussed in an open and a public forum like this. But it is sufficient to know that talks are proceeding very, very well, and within a reasonable period of time all members will be informed.

MR. GILBERT:
A final supplementary.

MR. SPEAKER:
A final supplementary.

MR. GILBERT:
That is the trouble, Mr. Speaker, that it is not discussed in an open and public forum. Now will the minister assure the people of Newfoundland and Labrador that before an agreement is signed to close the Railway, that a referendum will be held to ensure that the people most affected by this agreement, the people of the Province, have some input into the Railway closing? And will the government immediately call a referendum to let the people of Newfoundland have some input into the closing of the Newfoundland Railway?

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

MR. DOYLE:
Mr. Speaker, if there is one thing that the hon. member can be assured of -- it is that the provincial government will not

sign any deal that is not in the best interests of the people of Newfoundland and Labrador. And very much up front in that, and very much a priority with government is the workers who have been with CN now for a number of years. He can be assured that all of their rights will be taken into consideration and that we will not do anything that is not in their best interests.

MR. TULK:
Mr. Speaker.

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

MR. TULK:
Mr. Speaker, I have a question for the Minister of Municipal Affairs. He was there a minute ago, now he is gone, but I guess he is around somewhere.

AN HON. MEMBER:
He is just outside.

MR. DOYLE:
He will be in.

MR. TULK:
Well, the minister, or the President of Treasury Board, or whoever wishes to answer the question, is no doubt aware that there are thousands and thousands of people in this Province who, during the Summer, are likely to be without drinking water again. For example, I can name five places in the district of Fogo -- Noggin Cove, David's Cove, Gander Bay North, Deep Bay and Island Harbour -- will not have water, yet the government -- and I wish the minister were here because he has some real understanding of this -- has admitted that it cannot find the funds to put in what is known as a standard water system, or water and sewer system for those

communities. I wonder has the minister - and I wish he were here - given any thought to how this problem could be solved? Perhaps the President of Treasury Board will talk to him about it and he might be edified again.

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Mr. Speaker, I am fully conversant with this particular matter, as I am with most matters that are raised in the House, as the hon. member would know. In fact it was only the other day that I was talking to the Minister of Municipal Affairs about this particular problem. Because of the significant cost of the systems that are used in Newfoundland these days .

MR. DOYLE:

There is a conference underway at the Radisson right now.

MR. SIMMS:

Yes. In fact, there is a conference underway. My colleague, the Minister of Environment and Lands perhaps could have added a little to this today. He, in fact, was at a conference today dealing with water problems. The Minister of Municipal Affairs himself I know is very interested in some investigation into the situation to see if cheaper, or less expensive, if you wish, not so costly systems, would be quite acceptable for use by some of the smaller communities in this Province. I will take the matter and the question that the member raised and discuss it further with the Minister of Municipal Affairs and, if he has not returned, I will be prepared to take

subsequent questions the same way.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

This will have to be a final supplementary.

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I am glad to hear that the President of Treasury Board, the man who doles out the money, is aware of this kind of situation, because come July month, again, people will have to drive twenty and thirty miles just to get a drop of drinking water, to say nothing about water for showers or anything of that nature.

I would ask if, in his deliberations with the Minister of Municipal Affairs, he would consider, if he cannot put in a standard water system for those people, drilling community artesian wells for communities that find themselves in that situation? I would further ask him if he would attempt to see that this program gets underway immediately so that the problem is not there this July and August?

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Mr. Speaker, with respect to the first part of the question, yes, I will discuss it further with the Minister of Municipal Affairs. Indeed I think he has said himself, publicly, that that is what he is looking at and what he would like to be able to do. But with respect to whether or not it would be put in place for this July, that is only next month and

I am not quite certain if that is part of his intent.

In any event, we will probably be still here in the House anyway, so you will have lots of time to ask the minister more questions with respect to that particular matter.

MR. SPEAKER:
Order, please!

The time for Oral Questions has elapsed.

Answers to Questions for which Notice has been Given

MR. BLANCHARD:
Mr. Speaker.

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

MR. BLANCHARD:
Mr. Speaker, on Thursday, the 9th of June, the hon. the member for Menihek (Mr. Fenwick) asked some questions about occupational health and safety at Newfoundland Enviroponics. I have some information I would like to table in response to his questions.

Petitions

MR. DECKER:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for the Strait of Belle Isle.

MR. DECKER:
Mr. Speaker, I have a petition from sixty people of the town of Roddickton. Mr. Speaker, I think something like 98 percent of the people who signed the petition are

loggers.

Their WHEREAS sections refer to a wood-fired generating plant presently being constructed at Roddickton, and they expressed a concern that there is not enough timber in the area to keep the mill going forever, unless some conservation is put in place.

The residents are saying: "THEREFORE we, the residents of Roddickton, hereby pray the Honourable House of Assembly will instruct the hon. the Premier and the hon. Minister of Forestry (Mr. R. Aylward) to take immediate action to ensure that the exporting of all wood from the Roddickton area to the world markets be discontinued immediately."

Mr. Speaker, as I have said, there is presently a wood biomass, steam turbine, generating plant being built in the town of Roddickton by Newfoundland and Labrador Hydro at a cost of some \$26 million. To put it in our vernacular, the plant will burn wood chips.

The first time this idea came to light in the Roddickton area was around 1982 or 1983, Mr. Speaker. At the time a group of people were putting together a proposal to buy one of the sawmills in the local area. There was a feasibility study done. I was one of the people involved with the study and had to travel in various parts of Europe looking for export markets to make that sawmill viable.

In 1982 and 1983, it was impossible to sell a stick of pulp wood on the export market. No markets existed, Mr. Speaker. This is the way the export market has been right from the time the first the first junk of wood was

shipped overseas from this Province, even before Confederation.

The export market, as the Minister of Forestry will know, is not a very dependable market. It is up and down. So, there is no way you can make a long-term, viable industry if you are dependent on the export market.

So the local people of Roddickton tried to come up with an idea whereby the by-product of saw logs and the by-product of sawmills could find a need or use. The idea was developed that this wood chip-fired steam generator be put in the area and this would put the sawmill back in production because they had a place for their pulp wood, sawdust and slabs. So finally, Mr. Speaker, this mill is now under construction.

I can tell you, Mr. Speaker, and I can tell this House there is a lot of excitement in the Roddickton area because this mill is going there. The mill will require 24,000 cords of pulp wood a year.

Some estimates have gone as high as 30,000, but I am being conservative, small 'c', Mr. Speaker, in saying 24,000 cords of pulpwood will be needed.

There is no way the area can sustain perpetually 24,000 cords for this mill, plus the sawlogs which are required, plus an export market. Already there are some concerns the Department of Forestry might just be biting off a little bit too much at this stage, and there is some concern as to whether or not sawlogs and the steam mill can be kept going.

The loggers who are signing this petition, who are committed to

this biomass steam plant going into the area, are very concerned fifteen or twenty years down the road there will not be enough timber left for them to have jobs to go to. So they are asking this House to instruct the minister that there not be any more pulpwood exported out of the Roddickton area.

Now, I stood in this House a short time ago and heard the minister boast because they had given another export permit to take timber out of Roddickton. When he did, I cringed, Mr. Speaker, because I realized it was being done without giving due thought to the damage it could be doing to the future viability of the sawlog industry in Roddickton.

So, Mr. Speaker, I am gladly supporting this petition and I am asking the Minister of Forestry, when it comes to him, he will take measures to see that as long as there is a sawmill industry and as long as this wood chip plant needs a junk, there not be a single stick of wood again exported out of Roddickton.

The first choice should always be the sawlog, because that is where the real jobs are; the second choice the biomass, and somewhere, third or fourth, if there is nothing else, and there is enough timber, then the logical thing would be to export it, only as a last resort, Mr. Speaker.

Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. R. AYLWARD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Forest Resources.

MR. R. AYLWARD:

Mr. Speaker, I thank the hon. member for presenting this petition in the House.

I, too, support the concerns of people, not only in Roddickton, but in other parts of our Province who wish to make sure we have a forest resource which will go a long time into the future.

They also wish, both in Roddickton and other parts of the Province, that the forest resource be utilized as much as possible within our Province, which is a reasonable request.

Mr. Speaker, some of the reasons there are export licenses issued now, and they are done after much concern and much study by the professional staff of my department, is to harvest wood which was damaged through the insect infestations we had throughout the Province. The wood was dying anyway. Some if it was done, a certain amount, to help sawmillers. Not a great lot, but that was one reason for it, to get a market for it. As the hon. member said, there was no market for pulpwood or it was difficult to get the pulpwood going out of areas which are far away from our sawmills right now. One other way a sawmill operation can get an extra use for the product he is cutting is if there is an export permit, for small amounts. I agree with that. But the more uses that a sawmiller, a logger, or a lumber producer in this Province can get for the by-product of the raw material which comes into the plant, the more viable, obviously, that sawmill operation can be.

The wood chip, electrical generating plant in Roddickton will be a big boost to the employment and the forest industry in that area. It will give a good use to the forest resource we have in that area.

The priorities my department does have now, and will continue to have, will be to protect sawlogs in the area, and to use the rest of the resource, as much as is needed, for the generating plant being developed in the Roddickton area. We will also make sure there is an adequate supply of firewood remaining and available to people in the area who use wood for heating their homes.

Only after all of these concerns are met and the future planning of our forest industry is met will we allow export permits to be continued.

Once we can find a good use for all of the material in this Province, Mr. Speaker, there will be no more export permits.

Thank you.

MR. GILBERT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

Thank you, Mr. Speaker. I stand to support the petition put forward by my colleague for the Strait of Belle Isle (Mr. Decker).

The concern expressed here, Mr. Minister, of course, is for the people of Roddickton first who want the assurance the future supply for the generating plant is

going to be there. In this situation, when you issue a licence to export wood, every time you do it, it means we are exporting jobs to Europe, may I submit.

MR. R. AYLWARD:

The wood is dying with bud worms.

MR. GILBERT:

Yes, well, the thing is we have a situation here where that wood-fired generator plant is going to come on stream very soon and that wood could be handled there. I think this is the concern of the people of Roddickton.

To me, every time I hear of an export licence, it is an indication the government is admitting defeat.

SOME HON. MEMBERS:

Hear, hear!

MR. GILBERT:

We are presently unable to utilize the full resource we have.

Now, there is such a thing as the overmature wood and I realize this is the serious problem throughout the Province and I could refer the minister to Bay d'Espoir. I see what the people of Roddickton are concerned about right now. They have a chance to have employment for the long range and they want to make sure it is insured, rather than see these permits given right now.

The people of Bay d'Espoir have been the victims of the export wood business, first of all with Bowaters and now trying to get companies to go in there to create a few jobs for the 150 workers who lost their jobs when the Department of Forestry lost the

F.E.S.P. agreement with the fed. I mean, they are grasping at straws.

So, in one hand, when I say, please do not give export licence for the people in Roddickton, I am saying you have to do it in Bay d'Espoir because of the situation. People are starving to death there. Every time you do it, we are exporting jobs to Europe and for this reason I feel that -

MR. R. AYLWARD:

We are creating jobs in Newfoundland as well.

MR. GILBERT:

Yes, but short term, if we are going to rape the countryside and we do it as a stopgap measure. This government seems to be doing it all the time.

It is a stopgap measure, Mr. Speaker. When they are forced into a situation, it is a knee jerk situation. We must do something. We have overmature wood and this will creature ten weeks work. So I suggest the long term. If the minister really wants to do something to help the unemployment situation all over the Province, he should consider another wood-fired generator for the Bay d'Espoir area which would hire back those 150 loggers who have been laid off because the government's has failed to get a new agreement on the Federal Economic Stimulus Program.

But the people of Roddickton's concern is genuine. Their member has made strong representation on their behalf and I seriously suggest the minister not consider issuing any further export licence in the Roddickton area. If they have to, if we have to export

jobs, if we have not been able to utilize our forestry, let us look at Bay d'Espoir and let us look at putting in an wood-fired generator in Bay d'Espoir to use the overmature wood there.

SOME HON. MEMBERS:

Hear, hear!

Orders of the Day

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. TOBIN:

Bill No. 38, Order No. 34.

MR. SPEAKER:

Bill No. 38. Debate was adjourned by the hon. member for Port de Grave, who has not spoken yet.

The hon. the member for Port de Grave.

SOME HON. MEMBERS:

Hear, hear!

MR. EFFORD:

Mr. Speaker, the explanatory note here says, "This Bill would provide for the regulation of persons practicing agrology in the province." That, in itself, is something we are certainly in agreement with.

However, it gives me the opportunity, Mr. Speaker, in speaking to this particular bill, to express my concerns for the local farmers in this Province. I consider those people as the forgotten people of this Province.

Many times we wonder about the health system, we wonder about the fishermen, and if we have a

government regulating or doing anything for these people, but when it comes to the local farmers, Mr. Speaker, there are no people in this Province any more forgotten than those.

Clause 2. (h) says, "'Practicing agrology' means teaching, demonstrating or practically applying the science or the art of agriculture or advising or conducting scientific experiments and research in relation to agriculture, as a chief occupation." That is great. The act provides for those specialists to be able to practice their chief occupation in this Province under the regulations of the government of this Province.

But what about the farmers in the local areas? I think the district I represent is a prime example of how local farmers are being treated. There are a couple of farming communities out in the district. One is in Shearstown, another one is in Brigus and another is the Country Road area. They are three communities which, up until the present day, years ago, had as their total means of survival commercial farming.

I must say, Mr. Speaker, there were quite a large number back a decade ago, and they were very, very successful. The farming industry was carried on and passed down from family to family, to sons and daughters who wished to carry on. It has been a generation of farming interest out there in that particular area. Now, Mr. Speaker, you can see the decline. You can see the people are getting away from it.

Sure years ago most everybody had a vegetable garden and each individual person grew their own

vegetables for their own livelihood. That, for a number of reasons, people have gotten away from, and it is understandably so because sometimes it is cheaper to buy than to grow on your own.

But when it comes to the farmers who are doing it for commercial reasons and a means of survival, to have those people neglected the way they have been neglected by our government, is a situation I cannot justify in speaking with those people.

I just noticed a couple of weeks ago out West, when they had the drought out there, the first thing the federal government came up with was another \$12 or \$14 million to help them through the serious times they were having. We have no argument with that. I think last year they subsidized them to the tune of \$1 billion, and we have no argument with that. If the farmers out West, the farmers of Ontario, need it, sure, they should get the subsidy. There is nobody going to stand in the House of Assembly and say, 'Take it away from one group and give it to another group of people.'

But we have farmers in our local area, farmers around rural Newfoundland, who, when they apply for some assistance or when they go to the provincial government or the federal government, all they receive is a deaf ear.

There was an example last year and over the last several years. The worse thing which has been hurting the local farmer is moose. Moose have been getting into the farms and destroying thousands and thousands of dollars worth of crops, and no assistance is provided for the farmers

whosoever. There is no such thing -

MR. J. CARTER:

You can shoot a moose.

MR. EFFORD:

You can shoot a moose, but you cannot regrow the vegetables he has destroyed. What the member for St. John's North (Mr. J. Carter) is saying is exactly right, you can shoot a moose. That is another point I want to talk about.

I will give you an example: One farmer from Shearstown last year, who had planted his crops and was growing his crops, had to stay up all night long, after being in the fields all day, to keep the moose off his property. He could not afford financially to hire someone to stay up. There is no way he could do it. He just did not have the money to do it, so he, his wife, and son had to guard the farm all night. When daylight came, he had to get out of the truck, after sitting there all night watching the farm, then he had to go into the fields.

MR. J. CARTER:

They were (inaudible) on our farms.

MR. EFFORD:

The member for St. John's North (Mr. J. Carter) can speak to this afterwards. I have a few points I want to make and it is important to my district. I am sure you are well aware of the farming situation and you can give your own views on it.

These points are very serious. We are not talking about people who grow a few vegetables for their own use and if somebody tears up a few carrots, they can go to the local grocery store. We are

talking about thousands and thousands of dollars of produce destroyed by animals. They went last year and they tried to get some assistance to hire on people to stay up in the night and watch the farms but they had no luck.

I even went to the Department of Social Services in the area, where they put put in community development projects, to provide assistance for the farmers and we still could not get them to understand the seriousness of the situation.

At one point, I think, they said they would put one man there for one shift but that is no good because you have a period of darkness from, say 9 o'clock, last year but not so now, until 6 o'clock the next morning, and you need at least three or four people to watch an area like that. It is a very serious problem.

If you have a problem with drought, or for any reason whatsoever any of the local farmers lose their produce, there is absolutely no assistance from this government to help them over the difficult times.

I was just speaking last week with a local group, and another one of the problems the farmers have encountered was the problem of trying to get limestone to put on the ground. Now, they are ready to plant their crops and they have absolutely no limestone and it is something that should have been looked at six months ago.

MR. FUREY:

You can get it at Daniel's Harbour.

MR. EFFORD:

No, they cannot get it. This government is not listening to

them. If it is at our disposal here in the Province, or if it has to come from outside the Province, why do the farmers have to wait until after the planting season comes before someone is going to listen to them?

It is great to have it up in Daniel's Harbour but it is no good in Daniel's Harbour when it is required in a community out in Conception Bay, or a community in Trinity Bay, or in the hon. Speaker's district, out in Terra Nova, because there are local farmers all over the Province. Those people are very important because here we are as a government trying to provide jobs and trying to create jobs for the people of this Province, and here we have a group of people who need no one to teach them how to create jobs, no one to teach them how to grow crops, or no one to teach them how to operate equipment. They are well versed in that. That is not their problem. Their problem is that they need financial assistance in difficult times and that is what we have to try and get through to this government.

At different times during the Summer a farmer can employ up to forty or fifty people, in weeding, in fencing, clearing of land, when they take their crops out of the ground, and the selling of crops. All along the highways and local communities in the Province you see, from time to time, people with vegetable stands set up on the side of the road and they employ people. They employ people to do it and that is what this government is supposed to be all about and that is what we should be doing.

They are not asking for money to

do that. That is not the financial assistance they are seeking. They are seeking financial assistance for problems in the Spring of the year with moose and animals destroying crops, and when they have natural problems like weather, or some other destruction of their crops.

Perhaps the minister, when speaking, can address those couple of things I brought out. It is a question all the local farmers around the Province are asking and a question they are certainly going to need an answer for. It is not unique to one year. It is a continuous problem from year to year.

So with those few words, Mr. Speaker, I am sure there are other colleagues who want to bring out some other points. That was just particularly for my own district and some questions we would like to have answered.

MR. J. CARTER:
Mr. Speaker.

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

MR. J. CARTER:
Mr. Speaker, I really wanted to make a few comments while the member was speaking, but that is alright. I respect his desire to not be interrupted. I will just make a few comments on his comments. I am not disputing some of his remarks, but I would like to amplify them.

There certainly is a problem with moose breaking into farms and they are impossible to keep out. There is no fence I know of which could keep out a moose. I suppose if you made one of telegraph poles

and had barbwire thirty feet high, you would probably keep them out, but I have seen moose run through the thickest kind of woods. They are very hardy animals and I think it would be quite a fence which would keep them out.

I can see the objection to shooting them outright, for angry farmers just to shoot them, because that would be unsupervised shooting. The unsupervised, frivolous discharge of a rifle, but I do suggest that any farmer who is threatened with destruction of his crops by moose should apply very quickly to the department for a moose licence for any moose found on his land. I think if a number of serious applications were made, they would be granted and there would be no such thing as a closed season. Well, I do not imagine that you would need one in the winter, but certainly anytime during the Summer, I am sure there would be no problem there.

I think our whole attitude towards moose is strange. We probably allow for more moose, or a larger population of moose to occur than the environment can properly support. Probably we should increase the number of licences so they would be less common.

On the other hand, a moose is a peculiar animal in that its back feet go right down in the space its front feet went down in. I have seen them cross over a field and they are very, very neat footed. They do not trample crops, they eat them. But they are very sure footed and very nimble footed and they do not tend to do much damage by crossing, they tend to lift their feet over any obstruction. They are not destructive animals in that

sense.

I have often thought, if you could possibly tame one, it would be a wonder draft animal or for use in the field. Again, the department in its wisdom, or lack of wisdom, does not allow people to catch young moose and tame them. Which I think, is a pity because they are interesting animals, quite intelligent and certainly they would not be expensive to feed. They would be very easy to feed.

On the matter of help to farmers, there is a great deal more which could be done, should be done, and I think it is incumbent upon all of us to keep the pressure on government and those in authority to see these questions raised.

Members mentioned the question about limestone. Most of our soil is extremely acid and we do have a great need for limestone. The cost in limestone is not the cost in getting it. It is the cost of transporting it. Even a very small truck load of anything any distance is very expensive these days.

My pet concern and I think the Minister of Agriculture and the Minister of Transportation should get together on this. I remember when this building was built first, the land was cleared and all the top soil was pushed up into a big pile. It should have been respected and it should have been guarded and perhaps it should have been fenced off, but it evaporated. People came by and helped themselves. They figured, 'Well, nobody is going to use it so we might as well have some.'

I do not suggest that we should disprove of this kind of thing, but I do suggest if large

quantities of peat were deposited on dry stable ground accessible from a highway, it too would disappear to the great benefit of all the gardens and many of the farms and farmers around here. It would not require that the government do anything other than just make great heaps of it so that it was accessible. I think this would do us much good.

The amount of good it would do is incalculable because that is what our soil needs. It needs more organic matter. I think we should keep our eyes open for everything we can do for farmers.

The Sprung Greenhouse I know is a sore point with some members opposite, but I think the technology being developed there is certainly going to be worthwhile. It allows us to control the environment and to answer questions which may take a lifetime to answer otherwise. You can go through many seasons and many environments all in a matter of probably a few weeks, and it promises a very interesting development. Anyway, that is a comment for next Wednesday.

I do think we should be more concerned about the plight of the farmers. We have enough problems with the weather, let alone anything else.

So, with those few remarks, I will sit down.

MR. WELLS:
Mr. Speaker.

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

MR. WELLS:
Mr. Speaker, I have only a few

words to say about this matter. I am happy to support the bill. There is nothing of great consequence in it, except perhaps for agrologists. To agrologists, I am sure the bill is important.

But it prompts comment on the state of agriculture in our Province along the lines of those comments made by the hon. member for Port de Grave (Mr. Efford). I do not know what prompts this bill at this time, if there is a sudden increase in the number of agrologists around or an increased level of interest in the agrologists who are around. Perhaps the minister might tell us, or maybe there is some other motive. Clearly the Province is in dire need of the kind of help that experts in this field can give.

Our vegetable production, root crop and otherwise, has decreased over the years. There was a time when we used to produce a fair quantity of the vegetables we consumed in this Province.

If one reads the House Commission Report, you cannot help but be struck by their commentary. If the figures are correct, and I am assured they are, but I do not know with certainty, but assuming those figures are correct, in 1921 Newfoundland produced some 95 million pounds of potatoes, and in 1981 Newfoundland produced some 9 million pounds of potatoes, less than one-tenth of what we were producing in 1921. Why?

The poor old potato has not changed very much. It is pretty much the same. No doubt they have gotten more disease resistant varieties. It is probably easier to grow them. The ground has not changed very much. It is a fair bet the weather has not changed a

great deal either in the intervening sixty years.

So, we should have been able to produce a good deal more and had a much greater chance of success at producing on an economic basis a great deal more of the potatoes we consume than we have of producing the cucumbers we consume, and, in particular, producing cucumbers which people from Ontario and Quebec are to consume, or people from Boston are to consume.

I have no great confidence that the bill will make all the difference in the world to the future of agriculture in this Province, unless I hear differently from the minister when he stands up. I do not really expect to do so.

If the government had taken more interest in the real farmers of this Province, and perhaps had made available to the real farmers of this Province some or all of the \$15 million which was put into that madcap scheme out in Mount Pearl, the whole Province would have been infinitely better off.

MR. J. CARTER:

Do you really think that?

MR. WELLS:

Yes, I really think that. I know the hon. member for St. John's North, in his heart of hearts, believes it as well, but has to make certain statements in the House which must really grate him to make I know.

This bill, as I say, Mr. Speaker, as commendable as it may be for the number of agrologists in the Province, will probably do very little to enhance or improve our agricultural production or our vegetable production in this

Province. Notwithstanding the advice that the government had received from agrologists, the government still proceeded with the madcap scheme out in Mount Pearl, even though the agrologists on staff -

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

MR. SPEAKER:
Order, please!

MR. WELLS:
He thinks there is a point of order?

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

MR. J. CARTER:
I do and I think the Speaker will agree with me. In our culture, Mr. Speaker, if someone makes an accusation and we remain silent, that is taken as approval or agreement.

The Leader of the Opposition (Mr. Wells) is going on talking about the Sprung project as if it is a madcap scheme. That is his right and privilege to think so. It is even his right and privilege to say so. I would support his right to say so.

By the same token, if those of us who hear it and do not believe it remain silent, it is construed by many, by the public certainly, not by anyone in the House possibly, but by the general public that we agree with his statement.

This particular member does not agree with his statement and I am not going to sit silently while strange and peculiar statements with which I do not agree and offensive statements are made. I

think it is not only my right and my privilege to get up and say so, but I think it is my duty.

SOME HON. MEMBERS:
Hear, hear!

AN HON. MEMBER:
A good point of order.

MR. SPEAKER:
Order, please! To that point of order, there is no point of order.

The hon. the Leader of the Opposition.

MR. WELLS:
I am aware, Your Honour, the legal phrase for it is 'res ipsa loquitor', it speaks for itself. Obviously there is no point of order. The member can speak and express his opinions at any time. He does not need to rise on a point of order.

As I was saying, Mr. Speaker, I doubt very much if this bill will do anything for vegetable production in this Province or for the farmers of this Province unless we hear differently from the minister when he speaks. And I would be very pleased to hear it.

I was going on to say the agrologist the government had on its payroll for many years advised the government strongly against getting involved in the Sprung scheme to produce cucumbers for the Ontario and Boston markets. Nevertheless, the government proceeded with it as though they did not have that advice or as though the agrologist did not know what he was talking about. Even when that agrologist advised the government the production proposed in the Sprung project was probably double what they could realize in

fact and that their cost involved of producing it would greatly exceed the value of the crops produced, they still went on and the cost of it has escalated a further \$4 million on top of what was originally expected. So the situation is that much worse.

I do not know what the agrologist would say today if he were free to express his opinion publicly. It is unfortunate he is not. It is unfortunate the government, while they pay the man, keeps him hidden and prevented from being able to express to the taxpayers of this Province his sincere professional opinion as to what should be done with that facility in Mount Pearl.

Mr. Speaker, I will be interested in hearing what the minister has to say as to the extent to which this bill or other endeavours of the department are likely to help the agricultural industry in this Province and as to when the government will come to its senses and terminate the provision of funds to that madcap scheme so those funds can be made available to the real farmers of this Province so they can contribute to the economy of the Province and contribute to the general well-being of the people.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. FURFY:

Mr. Speaker,

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, I have just a couple of points which perhaps the minister could address when he

rises to close debate.

I would like to know, Mr. Speaker, why Newfoundland and Labrador is the only Province right across the country, of all of the ten provinces, without an agricultural agreement. I referred to it last Wednesday in debate on the Private Members' motion from the hon. member for St. John's North, when he blushing brought in that Private Members' Resolution dealing with the Sprung cucumbers.

There is a lot of other people, Mr. Speaker, quite interested in knowing why it is we are the only Province without an agricultural agreement for its farmers right across the nation. Perhaps the acting, or the former, minister can tell us why.

He will know too, from our research we know the President of the Newfoundland and Labrador Federation of Agriculture, Mr. Hewitt, on the West Coast, has written to his counterpart in Ottawa. He says a number of interesting things about what is happening to agriculture in this Province.

He says, for example, that two years ago we were told by the federal Department of Agriculture, and they insisted, that our agricultural agreement would be signed under the IRDA program. Just days ago, he goes on to say, he personally was told, both by our provincial minister - not the former minister, who is going to speak in debate but the now current provincial minister, Mr. Power - and Mr. Bill Goulding of the office of the Hon. John Crosbie, that farmers have an outline for agreement where funding levels have been agreed upon, and that the source of funds

has still not been identified.

Mr. Speaker, what is that really saying? Is it saying they do not know how to collect the taxes or where to collect the taxes? What are they saying? Because all Canadians put taxes into the general treasury of the country. That is where the funds come from. If they could so quickly find \$1 billion for ACOA - and we congratulate them in some respects for that program, and in other respects we regret it - surely they could find some monies for the farmers of this Province.

He goes on to suggest - this is the President of the Newfoundland and Labrador Federation of Agriculture - he says: "May we be so bold as to suggest to the politicians who govern us today that funding be found from the tax dollars of Canada. Any departure from this basic truth is just obstacles created by government and a question of semantics."

Mr. Speaker, the president was very upset. Farmers throughout the Province are frustrated. They are seeing both levels of government, federally and provincially, dragging their feet and they are hurting because they do not have a source of funding to draw upon to improve their position in this sector of our economy.

Mr. Hewitt went on, Mr. Speaker, to say, "We have seen the agreement outlined with the proposed funding regime and our reaction is included in this letter. An agreement without a capital assistance program to address basic development needs will do very little to further agricultural development in this Province. The \$5 million that you

commit to this agreement is nothing short of ridiculous, to say the least."

So, Mr. Speaker, we on this side say that not all is well with the agricultural sector in our community and in our Province. The president, himself, in letters written to the federal Minister of Agriculture, Mr. Wise, and the provincial minister, who is not so wise, Mr. Speaker, letters to both these ministers show the components they want included in this agreement.

Mr. Speaker, when the minister is addressing this particular bill, perhaps it is a proper and appropriate place for him to also deal with some of the very important and pertinent questions which keep giving rise from the Sprung commitment the Province has steeped itself 50 per cent into.

Mr. Speaker, what kinds of questions am I talking about? Well, questions like: What are the weekly sales figures for the Newfoundland and Labrador market for Sprung cucumbers? A very pertinent question!

What are the total monthly costs of the operation of the greenhouse per pod? That is a very serious question, Mr. Speaker, that somebody has to answer for us in light of our demonstrating in this House that the government's financial and other obligations total some \$22 million when everything is put into perspective.

I have questions like: What production levels are being reached per pod in the greenhouse? What percentage of production of cucumbers is being rejected for packaging and sale?

In other words, what percentage of actual grown cucumbers are packaged, boxed, crated and shipped to the marketplace for human consumption? What percentage are for human consumption and what percentage end up with animals, feed for pigs or other animals and livestock? What percentage end up in the various dumps around the Province we have been hearing about? Mr. Speaker, these are very real and pertinent questions. What percentage of the twenty-two million is ending up in the stalls of cattle? What percentage of the twenty-two million are ending up on the Robin Hood dump? What percentage is ending up in the stomachs of human beings, Mr. Speaker? These are pertinent questions considering the magnitude of the investment that we have demonstrated in this House and that the government is on the hook for financially.

Mr. Speaker, what value at cost of marketable cucumbers has been dumped, given away or sold each month? That is a serious question. Is Newfoundland Enviroponics having difficulty paying its bills?

MR. J. CARTER:
Mr. Speaker.

MR. SPEAKER:
Order, please!

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

MR. FUREY:
Another point of order.

MR. J. CARTER:
Mr. Speaker, the member's assertion is wrong. The dumping of cucumbers on the dump had nothing to do with Mr. Sprung and

he should check his facts. Now, these are erroneous facts being aired in this House and I think the member should go and check his facts.

MR. SIMMONS:
To that point of order, Mr. Speaker.

MR. SPEAKER:
The hon. the member for Fortune - Hermitage to the point of order.

MR. SIMMONS:
I have to say, Mr. Speaker, the member for St. John's North knows the difference. He will be aware that Mr. Sprung himself had telephoned farmers to offer this excess cucumber crop. He has personally made arrangements to have those cucumbers delivered to the various dumps. So, why, Mr. Speaker, is the hon. member misleading the House on this one?

MR. J. CARTER:
To that point of order, Mr. Speaker.

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

MR. J. CARTER:
Mr. Speaker, the reference to the cucumbers found on the dump was a reference to marketable cucumbers found on the dump. We all know there is a certain amount of wastage in any commercial operation and its by-product is food for cattle. That is not the one I am referring to. The member suggesting that the otherwise merchantable cucumbers ended up on the dump had nothing to do with Mr. Sprung. He should check his facts.

MR. SPEAKER:
Order, please!

There is no point of order, but I would like to draw to the hon. member's attention we are debating "An Act Respecting The Newfoundland Institute Of Agrologists," and I think the hon. member is straying from the Act.

The hon. the member for St. Barbe.

MR. FUREY:

With respect, Mr. Speaker, agrologists deal with agriculture and that is a very wide-ranging debate, Your Honour, I would suggest.

SOME HON. MEMBERS:

Oh, oh!

MR. FUREY:

Mr. Speaker, I have other questions in terms of the agricultural sector, and we are dealing with the high-tech component of agrology and agriculture right now.

We are saying, Mr. Speaker, is Newfoundland Enviroponics having difficulty paying its bills? We see the Credit Bureau reports coming out just last month that show that once again the company is being sued by the private sector because their bills are not being paid. Is it unreasonable for us to ask, as a 50 per cent shareholder, are we being sued? Is that unreasonable? I do not think so, Mr. Speaker.

Mr. Speaker, what are the accounts payable of Newfoundland Enviroponics? What are the accounts receivable in this project? How much are we owed and how much do we owe since we have gotten ourselves up to our neck in this project? What accounts are outstanding and overdue for payment by Newfoundland Enviroponics? Any reasonable

person would want to know the answers to all these very pertinent and very relevant questions, Mr. Speaker.

Is it unreasonable for a Newfoundlander and a Labradorian to want to know why he or she would have to pay seventy-nine cents wholesale for a Sprung cucumber grown right here on his or her own doorstep, while the ninety miles of water which separates us from the Mainland over there in Nova Scotia, Mr. Speaker, is it unreasonable to ask why we pay seventy-nine cents wholesale and a Nova Scotian would pay forty-seven cents wholesale? That is not unreasonable, Mr. Speaker, considering the depths of our investment and financial commitment in this project.

Is it unreasonable, Mr. Speaker, to ask why we are paying seventy-nine cents in the domestic market where we produce these high-tech, high flying, high flaming cucumbers from Mount Pearl at seventy-nine cents a crack? Is it unreasonable to ask why they are paying thirty cents on the Boston market? That is not at all unreasonable.

Perhaps when the minister is on his feet he could deal with the Premier's statement in the House when he came in some time ago to talk about the need for an additional requirement of a \$2 million loan guarantee for cash flow. I think at that time the Premier's statement of Hansard the 15th and 16th of March in 1988, he said: 'We need this \$2 million because it is difficult to get the project an up and running in a climate or a weather condition which would see a quick return to the project in the way of revenue. It was necessary,

therefore, to put a working capital loan in place for \$2 million.'

Mr. Speaker, to begin with that does not even begin to make sense in a project whose claim to fame is to be able to grow all kinds of vegetables and products in a nasty, horrible climate, such as Newfoundland's and produce domestically, no matter what the temperature is outside, and place it in the market place at reasonable prices for the domestic consumer.

So, to ask for that extra \$2 million, Mr. Speaker, was absolutely ludicrous because of climatic reasons. That was the very *raison d'être* for this project, Mr. Speaker, the very reason we were going to get into this very high-tech venture so we could grow and look after our own domestic needs right here in Newfoundland and Labrador. Yet, the Premier comes in and says that we need an additional \$2 million guarantee for working capital and blames it on the climate. That just does not jibe, Mr. Speaker, that is a contradiction in terms and paradox of the highest order.

Mr. Speaker, with respect to marketing: What was their announced position with respect to marketing cucumbers, and marketing this great harebrained scheme sitting in Mount Pearl? Their announced position was, on numerous occasions both the Premier and Sprung representatives explained that the greatest portion of the produce would be marketed outside the Province. Newfoundland and Labrador only consumes 300,000 pounds of cucumbers and 2.5 million pounds of tomatoes.

The Premier and the Sprung officials themselves, their words, claim that they would produce 7 million pounds of produce. What was the actual marketing to date? There has been some marketing of cucumbers in Newfoundland generally at significantly higher prices than other imported products. There has been minor marketing of tomatoes here and they only showed their little green faces on the shelves for about a week and then they disappeared, dissipated, probably ran away from embarrassment, could not even turn red. They knew where they came from, you see. They were probably so embarrassed they had to remain green like the government on this project. So, Mr. Speaker, that is the marketing to date.

The marketing to date is we can have cucumbers in this Province, we can have them at twice and three times the cost that they can buy the same cucumbers domestically grown in Nova Scotia and in Boston, in the New England market. We can have tomatoes for a week out of fifty-two, but they will be green. Mr. Speaker, there has been some minor marketing of the tomatoes and what else did we see?

We saw, Mr. Speaker, a demonstration in the House based upon the figures that the Premier himself tabled in the House. We pointed out what the salaries would be, the electricity cost, the interest rates on the loans and guarantees, the cost of lights and seeds and plants and nutrients and miscellaneous production, the packaging, the administration, the total daily operating costs, and the heat, using propane. We added all of that together and factored it all out, and our figures show

that it is not \$1.09 to break even, Mr. Speaker, on this cucumber fiasco, this great cucumber escapade, it is \$1.78 per cucumber to break even.

I would like the minister to take the Premier's and Mr. Sprung's own figures and to factor them in honestly and intelligently, and to tell this House what is the basic cost of producing a cucumber so that we break even? Are we making money in this domestic market at 79 cents wholesale? That is a reasonable and fair question. Are we making money in that well thought out plan in Nova Scotia at 59 cents retail on the shelves there, where they are \$1.49 retail here? Talk about suckers in our own land, Mr. Speaker!

Is it unreasonable to ask the acting Minister of Agriculture, in his capacity, while his colleague is out, is it unreasonable to ask him are we making money at 30 cents Canadian on those cucumbers exported to the New England market? Is that unreasonable?

Mr. Speaker, these questions are not unreasonable. In fact, Mr. Speaker, they are so reasonable that every Newfoundlander wants to know from top to bottom, just how much are we involved in this, how much is it costing us now, how much has it cost us in the past, how much will it cost us in the future to save the political hides of the 35 members sitting on the opposite side?

Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. R. AYLWARD:
Mr. Speaker..

MR. SPEAKER:

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

The hon. the Minister of Forest Resources.

MR. R. AYLWARD:

Thank you, Mr. Speaker.

I am delighted, on behalf of the Minister of Rural, Agricultural and Northern Development, to close the debate on Bill 38, "An Act Respecting The Newfoundland Institute of Agrologists." I will give people a little background on why this bill is here. The Leader of the Opposition did ask that question.

I met with the agrologists in this Province, who have a loose association now, Mr. Speaker. They requested me to prepare and present to the House a bill to make them a professional association, the same as in every other province across Canada, so they could feel equal, I guess, with their counterparts, the people they go through university with in other provinces. That is the main reason why this is here.

This bill is not going to affect any of the producing farmers of this Province, Mr. Speaker. It will not hamper them in any way in operating their businesses. I guess the only restriction in this Act is that you have to be a member of this association to call yourself an agrologist and, Mr. Speaker, that is not any great restriction.

I just want to say, it is really sad, Mr. Speaker, that this bill does give hon. members opposite a chance to present to this House and to the public their policies and their suggestions and, I

guess, their alternatives to what we are doing in the development of agriculture in this Province, Mr. Speaker.

I give credit to the hon. the member for Port de Grave (Mr. Efford), that he did bring up issues that affect day-to-day farmers. He did do that, Mr. Speaker. But the Leader of the Opposition and the member for St. Barbe (Mr. Furey) wasted their time again, talking about Sprung in this Province, when there are farmers out there who have issues they would like to have raised by the Opposition people, Mr. Speaker.

I will refer all hon. members to this book, **The Economy - '88**, Mr. Speaker, which is published by this government. There is a section in it about primary agriculture. It is interesting to note that agriculture did, this year, create 22,836 weeks of employment in this Province, a very significant employer, Mr. Speaker.

Six hundred and fifty-one farms are presently operating in this Province and, although we are down slightly from that between 1981 and 1986 in the number of farms in this Province, we have actually increased by more than 100 per cent the size of the farms that are operating now. The average size in 1981 was about sixty acres per farm, and in 1971 and in 1986, the average size of the farms today are about 138.8 acres. One of the problems we do have in the agricultural industry is getting money for development of our farms.

The hon. Leader of the Opposition mentioned that we should put more money into it. Why are the farms decreasing since back in the 1950s and 1960s? There was some

decrease in farm production. Mr. Speaker, one of the major reasons is because the administration at the time did not have a comprehensive land use policy and all the farmland that was developed over time, up until the 1970s, was being used for other purposes, such as housing, because of inappropriate policies that were in effect.

Mr. Speaker, when this administration took over we put in proper procedures to protect farmland so that we will have farmland in the future. Only something like 1 per cent of our available land resource can produce food in this Province. Mr. Speaker, we have put in policies to protect this land, and also policies to buy back land that is not now in farm use but had been cleared for farms over the last few years. Mr. Speaker, I move second reading.

On motion, a bill, "An Act Respecting The Newfoundland Institute Of Agrologists, read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 38)

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

To move into Committee on the finance motions, the normal speaking rules are contained in Order 39, or whatever it is, and they would apply in Committee, thirty minutes each person. But if hon. members opposite would like to make it fifteen minutes for each person, to give more members an opportunity to speak, it is up to the hon. members.

MR. TULK:

It is of no concern to me.

MR. SIMMS:

Okay. Standard speaking rules apply.

Mr. Speaker, I move that the House resolve itself into a Committee of the Whole on Ways and Means to consider Certain Resolutions relating to Income Tax Credits pursuant to An Act Respecting A Venture Capital Program, and An Act Respecting A Stock Savings Plan, Bills 34 and 45.

On motion, that the House resolve itself into a Committee of the Whole to consider certain resolutions, Mr. Speaker left the Chair.

Committee of the Whole
on Ways and Means

Resolutions

That it is expedient to bring in a measure in relation to income tax credits under An Act Respecting A Stock Savings Plan.

That it is expedient to bring in a measure in relation to income tax credits under An Act Respecting Venture Capital.

MR. CHAIRMAN:

The hon. the Minister of Finance.

MR. WINDSOR:

Thank you, Mr. Chairman.

It is a great pleasure for me to introduce these two resolutions, actually. Maybe by agreement we will do the two of these in parallel, or do you do want to do them one at a time?

MR. TULK:

Whatever you like.

MR. WINDSOR:

I do not really care. I will probably speak to both of them to some degree.

MR. TULK:

(Inaudible).

MR. WINDSOR:

Both of them? It does not really matter. They are both so related that it makes more sense.

MR. TULK:

(Inaudible).

MR. WINDSOR:

We will deal with both of them, Mr. Chairman, as the Newfoundland Stock Savings Plan and The Venture Capital Tax Credit Corporations.

Government recognized some time ago that one of the difficulties in business in Newfoundland and Labrador is, first of all, the lack of equity for small business corporations, and, secondly, I guess, the lack of investor knowledge and confidence in investing in Newfoundland companies. We are aware that hundreds of millions of dollars go out of this Province each year because Newfoundlanders are investing in corporations which are essentially mainland Canada, downtown Toronto, Bay Street type corporations.

I guess our objective is twofold, first of all to reduce, at least, the amount of money that is going outside our Province each year, and, secondly, to give small companies in Newfoundland and Labrador an opportunity to attract equity investment.

In the budget speech of April 2,

1982 my predecessor announced that government intended to establish a task force for the purpose of looking at a stock savings plan. The task force was created and work very diligently.

I should stop for a moment and thank the task force for the work they did do, under the Chairmanship of Mr. Ed Power, who was Assistant Deputy Minister of Finance at the time and has now moved on to another department, the Newfoundland and Labrador Housing Corporation. That committee in its report, in fact, referred to comments made, as well, by the Royal Commission on Employment and Unemployment. That commission noted that there were concerns that local capital flows out of the Province. They were concerned about that, and they stated quite clearly that Newfoundlanders would invest in the Province if there was an opportunity for them so to do. They identified in their hearings that there was a desire and a willingness of Newfoundlanders and Labradorians to invest in the Province but the opportunity was not there; too few of our companies, actually, were issuing shares, and, even then, these were done on the larger stock markets.

The Royal Commission further suggested that an investment tax credit to people for arm's length equity investments in small businesses in the Province be initiated. That was in keeping with the announcement that we had already made, that such a task force would be established to look into it. The task force, in fact, has confirmed and has very strongly recommended, having looked at similar plans that were established in other provinces of Canada, and five or six provinces

of Canada, in fact, have similar plans, although, I think it is fair to say, and I think I can say with some pride, our plan is superior to any other plan being offered in Canada. It is similar in many respects to other plans, but, nevertheless, it is unique in that it is tailored for our particular circumstances and will provide, I think, an opportunity for companies to grow, and it will provide a greater awareness of the whole investment concept in Newfoundland and Labrador.

Both of these plans, Mr. Chairman, offer credits against Newfoundland personal income taxes payable as a result of other activities; they vary from 10 to 30 per cent, depending on the investment made and the type of company the investment is made in. All companies, of course, will have to be registered and, as I will explain in a few moments, various types of companies will be eligible for different levels of incentive. As an added incentive, government will be providing a 20 per cent cash grant, 20 per cent of the individual's investment on certain eligible companies. Now, not all of them would be eligible for the 20 per cent tax grant. The combined maximum investment of an individual, and it may be in more than one company, the combined annual investment would be limited to \$10,000. In this fiscal year, you will recall from my budget presentation, we have budgeted a total of \$3 million to accommodate these tax credits, \$2 million for the tax credits and \$1 million for the cash grants. So funding has already been made available in the budget for 1988-89, and I think it is fair to say that that \$3 million would probably generate \$10 to \$12 million in private investment in

the Province. That is a significant beginning, and if it works that well, we think we will be quite pleased with it.

Let us look at the eligibility of the companies, Mr. Chairman. First of all, they must be permanently established in our Province. The purpose here is to assist Newfoundland and Labrador companies, and they must pay at least 25 per cent of all wages and salaries to employees who are resident in Newfoundland and Labrador. They would apply to the Department of Finance for a certificate of eligibility, and only companies with assets less than \$500 million would qualify. In a moment I will go through a sliding scale which further distinguishes between the four different categories of companies we are suggesting.

Corporations cannot be established primarily for purposes of relending or wide-scale investment. So it is not simply a way of sheltering and trying to do that type of thing, it is designed to actually get equity capital into bona fide co-operations. It includes common shares which are voting and non-redeemable, and preferred shares which can be converted into common shares. Companies must be either listed on one of the stock exchanges or unlisted but publicly traded, and those are the smaller companies.

Only newly issued shares would qualify under the plan. This is not a program simply to subsidize people who already have investments, this is a program as an incentive for people to invest, and as an incentive for private companies, in fact, to gain more equity through this method. Again, it goes back to the fact

that one of the biggest problems we have in many Newfoundland and Labrador companies is that they are undercapitalized, they are far too dependent on debt financing. The servicing of that debt is just choking these companies, and I see it every day. I have seen it for eight or nine years, since I first moved into the Department of the Development, in 1980, and I have been dealing ever since then with companies which are having financial problems. I can say to you that 95 per cent of the companies which are having financial difficulties, it is because they are undercapitalized, because there is just too much debt load on those companies and the business just cannot support them in an environment which is, admittedly, very competitive and has some disadvantages in our Province in relation to other companies in other parts of Canada. So we would hope to overcome that.

There would be four categories of companies, Mr. Chairman: A senior company, which would be a company which is listed on one of Canada's major stock exchanges, with assets between \$300 million to \$500 million. Those companies would be eligible for only 10 percent tax credit. Now, that does not sound like a large incentive, but the fact of the matter is, Mr. Chairman, that these are companies that are probably quite self-sufficient, it would be companies like Newfoundland Tel and the larger companies such as that, which are really blue chip companies; there is very little risk involved and, therefore, no large amount of incentive is necessary.

So the 10 percent, in this case, would be to allow people who are

not in a position to take a large risk, and we are looking here, perhaps, at people who have a limited amount of money to invest, or probably the senior citizen who has life savings invested in guaranteed income certificates, and those are fairly secure. Here this person could gain a little bit by investing in this kind of a major company and still there would be very, very minimal risk involved. But the incentive required for persons to invest in this type of company, because they are already attracting investment both locally and from other parts of Canada, the incentive necessary is not as great.

The second classification or category is the mature company which is again listed on the stock exchange but has combined assets and sales of from \$25 million to \$300 million. So it must be large enough to have total assets and sales of \$25 million but not to exceed \$300 million. Mature companies would then qualify for a 20 percent tax credit. So the people who invest in those companies would be eligible for a 20 percent tax credit.

I should say, Mr. Chairman, that the tax credit does not go to the companies. Probably, in some of the wording I am using I am being a little misleading. The tax credit does not go to the company, it goes to the individual. The benefit to the company is that they are receiving this investment and that there is an incentive for persons to invest in the company. The tax credit is paid at the end of the year when a person files their income tax statement. They would have received a certificate of eligibility saying that they had invested in an eligible company a certain amount of money,

they would simply submit that to Revenue Canada when filing their tax return, and with the cooperation of Revenue Canada and the Minister of Finance, who agreed to deal with this for us and to make accommodations in the income tax regulations and in the income tax return forms, then one simply lists this and receives the direct credit against provincial taxes payable. I might say, Mr. Speaker, that these can be carried over, as well. You cannot regain a refund because of these credits, but they can be carried over for up to seven years. In fact, at the end of seven years the program expires, because these programs are initially for a seven-year period. I would be surprised, Mr. Speaker, if we did not extend it beyond that period, but for these purposes, this program is established as a seven-year program and, at the end of that seven-year program, should the program expire, then the amounts would actually be paid by government. So the money would, at some point, by some method or other, actually go back to the individual.

So these tax credits are not going to the company. If anybody is under the false impression that we are now putting another \$3 million or \$4 million into the pockets of companies, that is not true. These are credits that are going to individuals, but it is allowing investment in those companies.

The third category would be expanding companies, which again are listed on the stock exchange and have assets and sales of less than \$25 million. These companies would be eligible for the maximum amount of 30 per cent tax credit against investo taxes, income taxes and, in addition, government

will pay a 20 per cent grant, a cash grant by way of a cheque issued directly to the investor. So that would be a total of 50 per cent. Again, in each case, the maximum for a foreign investor is \$10,000 a year, so the maximum benefit, therefore, would be \$5,000 a year - \$3,000 by way of tax credit and \$2,000 by way of cash grant. Again, obviously, what this does is guarantee an investor at least a 50 per cent rate of return. You are getting now to perhaps a less secure investment, less secure companies. But an investor is guaranteed at least a 50 per cent rate of return here, and they get that very quickly, so certainly it is a very strong incentive. And it was identified by both our task force and by the Economic Council that a very strong incentive of this magnitude would be required in this Province, at least in the early years. We recognize that in future years, as investors gain more confidence and gain more experience in investing in our companies, and as companies benefit from this and hopefully strengthen financially, future governments may wish to look at that and reduce it. But, certainly for the initial period, for an initial number of years, it was felt that this level of incentive was necessary.

Finally, the fourth category, Mr. Chairman, is the emerging company, which are publicly traded but not listed. The company would actually trade but would not be listed on the stock exchange, and would require a minimum of twenty-five arms-length shareholders. Now, there is a purpose for that, because you are now getting into the very risky small companies and, with the program being locked in for a

two-year period, you do not have a lot of liquidity. This is one of the aspects of this program, that the shares are not liquid as they might be with normal purchase of shares in a stock market. There is a requirement that you keep the shares for two years in your account, but there is a provision that they can be traded for other similar shares that qualify for the program. So you could sell them, provided you were replacing them with an equal number of comparable shares in eligible companies.

The twenty-five arms-length shareholders adds some liquidity, in that there are at least twenty-four other persons who are involved in that company and there is possibly a greater market there. Again, these companies qualify for the 30 per cent tax credit and the 25 per cent cash grant, the maximum amount \$5,000 per year.

Now, Mr. Chairman, we will obviously be dealing through authorized dealers, members of the Investment Dealers Association of Newfoundland and Labrador, and we are trying to broaden it as much as possible so that the program is as accessible as possible to people all around the Province. In that regard, we are having discussions with the co-operatives and credit unions who we feel should be involved, and we are more than willing to have them involved. The slight difficulty with that is that their present regulations require that all investments are totally liquid, and they will be making a proposal to us in the near future as to how we can overcome that difficulty and allow them to be involved in delivering this program for us around the Province. As I have

indicated, shares will be held for a minimum of two years, but you can sell if replacing them with qualifying shares for the balance of the period.

We also have another program, Mr. Chairman, which ties in with this, a program to help new companies with costs of first share offerings. We will be paying 50 per cent of tangible costs to the maximum of \$50,000. This year we budgeted \$250,000 for that. Now the purpose of that is that many companies who are establishing a first share offering - so it would not apply to companies which are presently listed or presently have shares in the market - generally speaking, these would be smaller, new companies which are developing a first share offering and there are feasibility studies required; there are legal fees and financial advisors and so forth required to deal with this whole thing, putting together a prospectus, and we will be providing up to 50 per cent of the cost for those companies that qualify. The maximum to a company is \$50,000.

Mr. Chairman, that is the Newfoundland Stock Saving Plan. Now, the difference in that and the Venture Capital Program is very simple. First of all, all Venture Capital companies that qualify would receive the maximum amount of 30 per cent tax credit and 20 per cent cash grant. By their definition, being Venture Capital companies, these are the riskier companies, these are the smaller companies, these are the ones that give you less of a guarantee that you will get a return. That is why the Venture Capital Corporations are created. Now the difference there is that the investment, in this case, is in the Venture Capital

Corporation. As long as that Venture Capital Corporation is investing in companies which would otherwise qualify but would not be issuing shares, these would be very small companies that normally would not be big enough, nor, perhaps, would the intent of the company be long-term enough, to issue shares, then it could be done through the Venture Capital Corporations. So an individual would invest in a Venture Capital Corporation and that individual again would qualify for the same incentives, 30 per cent tax credit and 20 per cent cash grant. But the Venture Capital company must invest at least 70 per cent of its equity in eligible companies that qualify under the guidelines as laid down for this program. So it is a way of getting investment into smaller companies which are not big enough, on their own, to share in it.

I think, Mr. Chairman, that will be a very value program. And it goes hand in hand and parallel to but not piggybacked on, so you would not get both the assistance under this program and the assistance under the Venture Capital Program that is administered by the Newfoundland Development Corporation, whereby interest free loans are made for a seven-year period. So you could not be eligible, obviously, for both. Again, companies which are invested in by these Venture Capital companies must qualify and must pay 75 per cent of their wages and salaries to Newfoundlanders and Labradorians.

Small businesses which are invested in by the Venture Capital Corporation would be manufacturing and processing, tourism, research and development, farming, fishing, forestry, or aquaculture,

geological, geographical, and seismic services, printing and publishing industries, mineral exploration, and other prescribed business activities.

Funds may not be used for re-lending, real estate, investment/re-investment outside of Canada, purchasing securities or any other activities that are contrary to the spirit and intent of the program."

Mr. Speaker, those are the nuts and bolts of those two programs. We think it will be successful. In fact, the indication we have had from the general public is that there is a tremendous amount of interest in them. It opens up a whole range of opportunities for small companies to gain additional equity, those which probably could not attract equity investment, and it provides a tremendous incentive for individuals to invest in these type of companies.

It gives them a good rate of return. It guarantees a minimum rate of return and reduces the amount of risk associated particularly with the small companies which form the bulk of Newfoundland and Labrador business. Let us be very clear on that. Most businesses in this Province, by any standards, would be considered as small business. There are very few businesses which would be called larger corporations on a national level.

So, Mr. Speaker, perhaps I will stop there. I will have an opportunity to speak later. There are a couple of minor amendments to the bills but I do not introduce these now. I do that when I close debate. Is that it? Anyway, there are a couple of minor amendments that the

Opposition critic is aware of. These are basically typographical type things.

I will now sit down and look with optimism, and look forward with enthusiasm to comments of hon. gentlemen opposite.

MR. BAKER:
Mr. Speaker.

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

MR. BAKER:
Thank you, Mr. Speaker.

The minister knows that for the three years since I have been in the House, two or three times a year, I always get around to mentioning that Newfoundland should have some kind of provincial tax credit to encourage Newfoundland investment in Newfoundland. I am very happy to see the minister has gotten around to doing it.

I would like to make a few comments about both bills. The minister in essence is dealing with both at the same time.

Bill 34, the stock savings plan tax credits, the purpose of the bill, as stated by the minister, is to, first of all, reduce the amount of Newfoundland capital going outside the Province. This is a real problem and, I think, that perhaps most investment, I do not know the percentage, but by far most investment is done through the stock market in Newfoundland would be in companies which are not Newfoundland companies. It is too bad we have not had, in the past, a greater level of support for our own Newfoundland companies.

As to the amount going outside, these are the normal investors in the community. They are the people who have a bit of money and they play the stock market and this kind of thing, normal investors putting money in companies.

These investors will be encouraged because of the extra 10 per cent, or 20 per cent, to now take their money from the other companies and put them into Newfoundland companies, and I think, in theory, it is a good move.

The minister says it also gives small companies an opportunity to attract equity capital and that, in theory, is a good idea. As he pointed out, instead of a small company struggling, burdening itself, either trying to get government grants, or assistance from government, or having to go to a bank, that there should be a certain amount of equity capital there that is readily available in the Province provided by Newfoundlanders, and that is good.

I would hope that one of the main purposes would also be to try to get more investment from Newfoundlanders. The total amount of money in this Province that is being invested, to try and increase that, to get more people used to putting money to work to try and build the Province. I would hope that that would be a very important object of these two bills.

I should point out that the object is not to provide an opportunity for the ordinary Newfoundlander, and by that, I mean the person who is working on a monthly salary and who can contribute \$25 or \$30 or \$40 a month to put into some kind

of investment. It is not for that type of person. It is for the type of person who either is now investing in the stock market and we want to get his money back into the Province, or the person out there who has a bit of money and is not investing it, to persuade him to put this money into the pool that is available for Newfoundland communities.

It is not a scheme for the ordinary Newfoundlander. And, in all fairness, the minister did not tout it as being a scheme for the ordinary Newfoundlander, either. I just wanted to make the point these are the types of people who would take advantage of this.

AN HON. MEMBER:
(Inaudible).

MR. BAKER:
Okay.

These plans, he says, are superior to any other plans in Canada. There are -- how many -- four in existence now?

AN HON. MEMBER:
Five.

MR. BAKER:
Five in existence now. I think this plan is different from, in some major ways, the plans which now exist. I paid particular attention to the Nova Scotia plan because the Nova Scotia plan is the one this one is taken from, is patterned after, with changes.

MR. WINDSOR:
It is more like Quebec.

MR. BAKER:
Well, I have not actually gone in detail through the Quebec plan, but maybe what happened is Nova Scotia took the Quebec plan and

pretty well took it verbatim and therefore, we are taking the sections which apply verbatim from the Nova Scotia plan. So it probably happened in a roundabout way.

Anyway, there are differences, there is no doubt, and as I go through the bill, I will point out some of those differences and perhaps ask the minister to explain why the differences exist. Some of them are obvious because it extends our plan much further than the plan in existence in Nova Scotia. It extends to more corporations and to larger corporations, in particular.

I think an important aspect of this is that perhaps it is good that our plan is extended to some of the larger corporations. In category one, for instance, we probably have - what? - two corporations, Mr. Minister, that would come into that category, the Fortis and NewTel.

These companies are safe companies. This is not a venture investment. They are not taking a big chance. These companies are performing well and it is appropriate, of course, that there would be a small tax rebate given for investment in these companies.

In a way, I am pleased to see they are included. My first reaction on reading the bill was, why do we want to generate more capital for those people? I mean, what is the point of that? But when you consider that Newfoundland Telephone, for instance, has a 3.3 per cent level of investment by Newfoundlanders - when you consider that it is the Newfoundland Telephone Company and the level of investment by

Newfoundlanders is only 3.3 per cent, 96.7 per cent is outside investment, there is lots of room for us to take part in our own development. Perhaps it is okay to provide a safe way to allow people to understand what is going on here and to become involved in the stock market, get them used to investing their funds in a safe way. It is a safe way to get them to do it.

MR. WINDSOR:

You have answered your own question, have you?

MR. BAKER:

It was not really a question. I pointed out that at first that was what went through my mind but, on thinking about it, you come up with reasons.

So perhaps our plan is, in some ways, superior to the other plans. Whether it is superior or not depends upon the objectives, how well the objectives of the plan are being met.

I point out if we want to come up with something for the ordinary Newfoundlander, we perhaps have to go a bit further. Perhaps this Minister of Finance or whatever Minister of Finance is in place in the next two or three years, would consider developing this plan a little further.

There are \$3 million put into the plan. The minister says there are \$2 million earmarked for tax credits and \$1 million for grants. I do not think, Mr. Minister, that is specified in the plan, the breakdown. I do not think that is specified in the bill.

MR. WINDSOR:

It is in the budget.

MR. BAKER:

Yes. It is in the budget, but not in the bill.

There is a problem about this. It is a little bit inflexible, because if you get, first of all, a volume of people investing in the category one companies who do not get the grant but get tax credits, there is a possibility the tax credits could be eaten up, the \$2 million for tax credits, before the \$1 million for grants is eaten up, or the converse could be true.

I am assuming the allocation of the amounts would kind of, instead of being part of the bill, be a regulation that could be changed depending upon what happens when the plan is offered to the people.

MR. WINDSOR:

It is just a matter of how much is allocated in the budget. You may need more for one and less for the other.

MR. BAKER:

And less for the other, or whatever. Sure. So there is flexibility built in - that is the point I wanted to make - and there should be flexibility built in because it is very difficult to allocate.

The tax credit and the grant: When a person purchases shares or becomes part of a venture capital group that invests money, the 20 per cent grant is paid upon notification. So that is immediate money that comes to the investor, the individual.

The tax credit, though, is given at the end of the year. Perhaps the minister might entertain a slight change in that clause of the legislation here to allow for

people who have to pay quarterly taxes. A lot of the people, you know, who are in the category of people who would invest in these programmes are people who end up paying their tax, professional people and so on, quarterly. It might be possible to make a slight change here to allow payment for tax credit quarterly.

The reason I mention this, Mr. Minister, is that if that is not done then you will probably see at the end of the taxation year, in a very short period of time, a lot of investment because people like to get their tax credits back as quickly as possible, and getting towards the end of the year, they will be looking for places so they can get tax credits and you will get a sudden influx right at the time of the year when it might make it difficult to handle the volume and control the volume, because I believe there is a control built into the bill as well. So it might be appropriate to allow the tax credits on a quarterly basis for those people who pay taxes on a quarterly basis, to avoid the sudden rushes you will get once a year in those cases.

The minister, in talking about the venture capital Bill, read a list of companies that were acceptable and so on. He made the statement - the last one was 'other prescribed business activities'. I am sure the minister remembers that list. This 'other prescribed business activities' sure opens the field up.

I am wondering if the minister is referring here to activities that are soon going to be prescribed or are these activities that will be prescribed as the applications come in for certification. If so,

then this should be made clear to the people. The list that is published is one thing, but then there are other things, that if you apply for them, we will then prescribe. Or is it going to be something that is going to come out in the list of regulations that the minister, I assume, will publish in the near future?

There are a number of instances in both these bills where we need a set of regulations, where it is referred to a number of times about things that are going to be prescribed. I do not know when this set of regulations will be made up. Is it in the process of being made up or is it going to be done after we go partly through the process so that we see how it works? When is this list of prescribed things going to be made public and when are we going to see the regulations attached to the bill?

So, those were just a few comments on some of the things the minister said. There is \$3 million in the program. When he brought this up first in the House, in my response I suggested they might generate \$15 million, but he says \$10 to \$12 million. It is in there somewhere, \$10 to \$15 million worth of investment capital.

The minister has the authority that when the tax credits and the grants get up to the \$3 million in the budget, he can cut it off for an unspecified or indefinite period of time, presumably to the next budget year when he can then start the program again. So the minister has some protection built in, this amount of \$3 million will not be greatly exceeded.

AN HON. MEMBER:
(Inaudible).

MR. BAKER:

That is right. So, he kind of has a control over the amount of investment which will be made in this Province.

Just from a philosophical point of view, I suppose, Mr. Minister, I know that this is a budgetary item, I know that you have \$3 million in the budget, I know that you have to make a budget up that is reasonable and so on, and I know it is difficult to have an open ended plan where you can predict how much is coming out of the budget, but if it is good to get Newfoundland capital back from the Mainland or other parts of the world into Newfoundland, if it is good to get more Newfoundland capital into circulation in Newfoundland to build the Province and if this is good in a very real sense, it will create more jobs, more opportunities for Newfoundlanders a more vibrant economy, if this is true, and if there will be a return to the government from that, the increased employment, the increased business tax and all that kind of thing, then it seems to me perhaps we should be look at it from this point of view: The more money invested, the better. The more activity we get the better, the more jobs we get the better, and the more money comes back to government.

By putting a cap on it, and by then enforcing the cap, what you are saying is a small amount of investment is good, but a larger amount is not going to generate the activity we want. This is really what you are saying to people. I would like some comment from the minister before he closes this off as to what are the intentions with these limits?

If it is good, if it is going to generate more revenue and so on, then why not go pass it. All kinds of budgetary items are put in, \$1 million for this or \$2 million for that or something, and we end up spending three times as much. It happens all the time.

People realize what a budget is. It is a guideline and it is an estimate and so on and in certain areas you stick to it. If you say you are going to put \$90 million next year into highways, then you put \$90 million into highways. You stick to your budgetary figure. But in something like this, it seems to me you should not worry so much about the \$3 million, or \$4 million, or \$5 million, or \$6 million. It should be allowed to float for a while.

I also realize, of course, there it would be only four, five, or six months when people can take advantage of this or whatever, so perhaps the amount is set relatively low this year because of the time.

I think the experience with the plans has been that within the first year or so, on the surface, they do not look too successful, but after that, as people get used to the process, and as the publicity and so on gets out there, then they start to become more and more successful.

What is the restriction as to when invest in a company, how long do you have to keep your investment there? Two years?

AN HON. MEMBER:
(Inaudible).

MR. BAKER:
Two years, yes. So, if I were so fortunate, so lucky, to have

\$10,000 to have to put into this as soon as it is proclaimed. No, let us say \$6,000, and I became part of a venture capital group or I invested in one of the smaller expanding companies and I got my 20 percent return right away, the 20 percent grant and at the end of the taxation year and hopefully, well I am not on quarterly income tax anyway, so it does not matter to me, at the end of the taxation year I would get 30 percent from one of these companies.

That is a one shot deal, through, right? I do not get the same thing next year.

MR. WINDSOR:
(Inaudible).

MR. BAKER:
Okay, on that one amount. So I keep it there for two years. Now, I have fulfilled my commitment to the government in that part. So then I could sell my shares, my \$6,000 worth, which hopefully now will be worth many thousands more. I sell them, and then I could buy shares of another company that is certified with the same \$6,000 and get the same thing back again.

MR. WINDSOR:
You could not sell them for two years.

MR. BAKER:
Right, I know. What about the same company? What about I sold my shares in this company and two days later bought it back again? Would I then get the same credit after the end of two years?

MR. WINDSOR:
Sure.

MR. BAKER:
Okay. So, over the seven-year

period, I could turn my money over three times. That is what it amounts to. Well, the fourth time really because I still have a year left. I could turn my money over three times or two-and-a-half times, so I get three-and-a-half times the benefit, which means, in effect, over a period of seven years, I could really make a killing on that \$6,000, assuming the company I have invested in is a company that is doing fairly well. Well, it does not really matter if they are progressing. As long as I can get a part of my money, I am way ahead because of everything else. I have gotten every two years half my money. So turning it over three times, I have 150 per cent of my money.

MR. WINDSOR:

Assuming you can (inaudible) sell the shares.

MR. BAKER:

That is right. It is assuming an awful lot of things. I would just like to point out that that possibility exists and it is a very attractive proposition. I think that point should be made. It is a very attractive proposition for people to put money into these smaller businesses, expanding businesses, and into the Venture Capital area, because that is really where we need the money. I am thinking now in terms of the Province.

I am not thinking in terms of the individual. We want more Newfoundlanders to own Newfoundland Tel. I mean, that is all right in one way, because I suppose if we get enough investors to put money into Newfie Tel, we get some control over it in the Province. That is great.

But from the point of view of the

development of the Province, the important thing is this money be channelled into new companies, companies which may find it difficult to exist, but as long as capital is available, the entrepreneurial spirit will still be there and these companies will be providing jobs, even at the expense of the Newfoundland Treasury. They will be providing jobs. I think that is extremely important, that most of them be funnelled into the smaller companies.

In Nova Scotia, by the way, they did not include any companies - they talk about net assets and income and revenue of more than \$25 million. They kept their plan to the smaller companies and did not include the larger ones, but I have already dealt with that.

I have a few other questions. I do not want to give the minister too much to answer right now. In Clause 5 of Bill 34, Section 2, "Notwithstanding sub-section (1), a security is not an eligible security if," I am sure to the legal mind it is clear what is meant here, although I have not discussed it with any lawyers. But to my untrained legal mind it seems that perhaps it should have been specified if any of the following conditions applied, because, to me in reading that, there is probably a little bit of confusion in that one. It does mean, if any of these conditions apply, then the security is not an eligible security. It is not all of them, it is any one of them. Maybe that should have been stated in the beginning. These are just some minor points I am pointing out to the minister.

Clause 6, Page 12, Section E, Subsection (3): I think some

further definition is needed here, because there are some problems which could arise, it seems to me. The minister mentions a certificate of eligibility. 'In the case of a corporation, the corporation is incorporated in Canada, the corporation has a permanent establishment in the Province on the date of the certificate of eligibility.' Now I am assuming there is going to be attention paid to whether this is a real establishment or a place of business, that this is not just used to become certified. Because, in Number 3 it says: 'The aggregate of all the wages and salaries paid in the last taxation year of the corporation that ends before the date of the certificate of eligibility to employees of its permanent establishment in the Province is not less than 25 per cent of all wages and salaries paid in the year paid by the corporation.' So the corporation could pay 75 per cent of its wages outside the Province and 25 per cent inside the Province, and that would be okay, or 26 per cent and 74 per cent, but it could not spend 76 per cent outside the Province and 24 per cent inside. It seems to me you need some definition as to this 'employee of its permanent establishment', whether this means a person who actually pays income tax in the Province of Newfoundland so that you cannot get the paper transfer of employees from one part of a company to the other.

MR. WINDSOR:
(Inaudible).

MR. BAKER:
The minister can check that, yes. But, it seems to me, a little clarification is needed there.

MR. WINDSOR:

The definition is in there. 'A person who resided in the Province on the last day of the taxation year, and during the taxation year (inaudible).'

MR. BAKER:

Yes, I understand that, but when you talk about the employees of the corporation, the definition of what an employee is is my point. See, you cannot have corporations that are 80 or 85 per cent outside the Province do some paper transfers simply to make it look as if more than 25 per cent of the employees are in the Province. It is a minor point, but something the minister can follow up on, I am sure.

Clause 9, Subsection 1. 'Where the minister refuses to issue a certificate of eligibility..., the minister shall notify the applicant of the refusal, together with written reasons for it.' Now, that is okay, but if 90 days have passed, it is deemed to be refused and I think there should be some limit after that put onto the length of time the minister can take to explain why it has been refused. I think it is important that when investors are refused they get an explanation as to why they are refused.

MR. WINDSOR:

It would normally happen anyway in less than 90 days.

MR. BAKER:

Pardon?

MR. WINDSOR:

It would normally happen in less than ninety days. If you have not heard from me in ninety days, you can assume you are going to get one.

MR. BAKER:

I understand that.

MR. WINDSOR:

I cannot perceive a person not getting a response in ninety.

MR. BAKER:

Yes, but I think the reason should be given. I am just putting this in there to guarantee in my own mind that the reason will be given and has to be given; instead of just getting careless in the program and letting an application lapse that somebody does not particularly want to approve, just letting it slide. I think the reason should be given, and the minister should understand why.

In part 5, which is the regulations, some of the matters that needed defining in the bill are dealt with here. This is part 5, Clause 30, page 27. I do not know if Clause (a) is a standard thing that has to be in, but it seems to me that the Cabinet may define, enlarge, or restrict the meaning of any word or expression used in this act or the regulations where not otherwise defined. I suppose somebody has got to have the authority to do definitions, but the definitions should exist in the regulations as you go through, and should be published.

MR. WINDSOR:

The regulations would have to be gazetted. We just have not developed all of them yet. We are doing that together with the investment dealers.

MR. BAKER:

Yes. The regulations say, 'The Lieutenant-Governor in Council may make regulations prescribing activities that issuers are not to engage in in order to obtain

certificates of eligibility.' I referred to that previously. This section simply gives the power to Cabinet to make these regulations, and there are number of things listed. Is this going to be done soon, the regulations? Are we going to see a copy of the regulations published soon? These are some of the comments I have about that particular bill.

With regard to Bill 35, the Venture Capital Tax Credit, this is the kind of program that would attract people who have a bit of money and want to take some chances with it. Of course a chance of getting larger returns, but are willing to take chances with their money. Forming this pool, forming a group that provides Venture Capital, is a good idea. Hopefully we will see a number of such groups come into existence in the near future, with a pool of money that they will put into businesses which, on their own, do not seem to be able to make it. Yet, if a person has an idea and he wants to see if the idea will work and he wants to start something new in the Province, then this pool of money is there to encourage these entrepreneurs to actually get into their business and to take time to try to develop it, because it provides them with money and they do not have to go to the bank and so on.

Some of these groups will be good and some of them will be bad. Some of them will make bad decisions, and some of them will make good decisions. I hope the decisions that are made, if they are made the way that some development corporations, for instance, make their decisions - I am thinking in terms of how at one time I was on the Board of

Directors of a development corporation and the tendency there was to invest only in things that were safe. I think it would be too bad if this kind of capital went only into things that are safe. Somehow, we have got to convince the investors to take a chance.

In closing I will not right now get into some of the details in Bill 35, because we are getting to the end of the time and maybe someone else wants to take a few minutes. But I would like to say to the minister that if the purpose of these bills is to stimulate local investment, that is good and it should do that. Maybe not very much in the first year, but it should do it over a period of years. If it is to provide more of a return to our investors of venture capital because the risk is greater here in this Province, or they envisage the risk as greater in this Province, then, fine, the bills do that and it is good.

There are logical extensions of this bill the minister could consider in the future, and I am sure some of my colleagues will be dealing with some of these logical extensions in their few comments.

I would just like to say we support the bills. We believe there are a few minor changes which need to be made, and I am sure the minister will go along with us. He has a couple of amendments to introduce now, and perhaps if he could have a look at a couple of suggestions I made, in the next day or two, if he feels these changes should be made -- and they are very simple -- he could throw in a couple of more amendments at the same time. Thank you, Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Waterford - Kenmount.

MR. GULLAGE:

Thank you, Mr. Chairman.

Firstly, In the few minutes I have today, I would like to commend the government on copying the plan pretty well after the Quebec plan, which has been so successful. Nova Scotia, as we know, and as has already been said, has done exactly the same thing. But the Quebec experience has been one we can all look to with some credibility, having been in force for some time now, and it has indeed contributed greatly to the investment in that Province in small business, in particular.

I would think the two primary objectives, Mr. Chairman, of this plan would be, firstly, to encourage Newfoundlanders and Labradorians to invest in this Province and invest in companies in this Province, something that we have not seen a great deal of. Newfoundlanders and Labradorians tend to be savers rather than investors, and, indeed, have not been participating to any great extent in the stock market, and also have not been entrepreneurial to the extent that we would like to see them.

The second priority would be, indeed, to help emerging -- the fourth category has been identified as emerging businesses -- businesses become viable and successful, and also, hopefully in the future, to address a fifth category, which has not been identified, small companies, both incorporated and unincorporated, which are thriving to become successful and yet cannot access dollars through the banks, since

the banks are not involved in anyway in venture capital endeavours.

Mr. Chairman, at this time, with a minute or so to go, I would like to adjourn the debate for today.

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

MR. SPEAKER:
Order, please!

The hon. the member for Terra Nova.

MR. GREENING:
Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report progress and ask leave to sit again.

On motion, report received and adopted, Committee ordered to sit again, on tomorrow.

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

MR. SIMMS:
Mr. Speaker, tomorrow, Tuesday, we would like to get into Committee of the Whole on some of the Bills we have gone through. We will start at Order 3, Bill No. 1, and go as far as we can tomorrow.

Wednesday, of course, will be Private Members' Day.

Thursday, at this stage, what I intend to do is call the Stock Savings Plan Act and the Venture Capital Act, the same ones we are dealing with today, and if by some fluke we manage to conclude that early enough on Thursday, we will then do the City of Mount Pearl Act which has now been printed and

distributed, as hon. members would know.

I am not quite sure what we will do on Friday. We may even call an election, but we will wait and see.

SOME HON. MEMBERS:
Hear, hear!

MR. SIMMS:
Mr. Speaker, we will inform hon. members in the way we usually do, well in advance.

Mr. Speaker, I move that the House adjourn until tomorrow, Tuesday, at two of the clock and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Tuesday, June 14, 1988, at 2:00 p.m.

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Answers to Questions

tabled

June 13, 1988

13 June, 1988

Answers tabled by
Hon. Min. of Labour

NEWFOUNDLAND ENVIROPONICS

Question 1.

Have there been any complaints over "particularly hazardous" conditions at Newfoundland Enviroponics Limited? (Allegedly there have been frequent ambulance calls).

Answer

No.

Question 2.

Is there a workplace health and safety committee in place?

Answer

Departmental records show that the joint Occupational Health and Safety Committee in place during construction of the facility last met on February 26, 1988; follow-up inspections on May 2 and June 3, 1988 indicated that the committee is being restructured to include representatives from the permanent work force. (Advised on 10 June that a 10 person committee will be in place within several days - Directive issued to address this matter).

Question 3.

Has there been a complaint of excessive heat? (Can we monitor)?

Answer

The Division received an anonymous complaint of excessive heat in Zone 8 of the production area on March 15th, 1988.

Immediate investigation by the Division revealed that the temperature was then approximately seventy-five degrees fahrenheit which was considered normal for that type of operation.

Information respecting Ambulance Calls to Newfoundland
Enviroponics during the period 25 January - 6 June, 1988

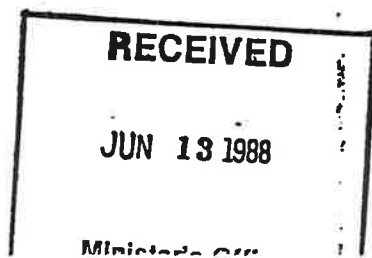
The following information was provided by Newfoundland Enviroponics as the reason for ambulance calls to the project - none were for heat prostration cases.

- 25 Jan. Worker slipped on ice - outside.
- 15 Feb. Worker slipped on ice - outside.
- 3 March Employee walked into a plank being passed down from a scaffold.
- 12 March Ladder slipped and worker fell.
- 3 April Worker stepped on a reservoir cover and cover slipped.
- 9 May Worker slipped on floor because of a piece of construction plastic.
- 2 June Worker had asthma attack.
- 6 June Worker nipped finger while attempting to lift object and fainted - ambulance left without worker who had recovered.

NOTES:

an O.H.+S. inspector

1. Don Banfield ✓ advises that in order to avoid high temperatures during mid-day, shifts have been scheduled for 5 a.m. - 12:20 p.m. and 11 p.m. - 6:30 a.m. Temperatures average about 75° during these periods.
2. No details on the extent of the injuries were available at the time this information was requested.
3. Newfoundland Enviroponics advises that all members have been appointed to the Workplace Occupational Health and Safety Committee. The committee was restructured after the construction phase was completed to include regular operations workers.



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