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***VERBATIM REPORT***  
***(Hansard)***

***Speaker: Honourable Thomas Lush***

Tuesday

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The House met at 2:00 p.m.

Mr. Speaker (Lush): Order, please!

### Oral Questions

The hon. the Member for Harbour Main.

Mr. Doyle: Mr. Speaker, I have a question for the Minister of Employment and Labour Relations. The Minister will be aware that the unemployment figures have once again been released for the month of May and once again the figures are very, very alarming indeed. The unemployment rate is up three full percentage points over the same time period last year and that's at a time, Mr. Speaker, when fishermen are not included in the figures because they are presumably back to work. I want to ask the Minister does the Minister now view the unemployment figures as alarming, and can she indicate to the House what her plan of attack is with which to deal with this crisis?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms Cowan: Mr. Speaker, thank you. The statistics, of course, are not good and I am waiting now to meet with the individual who gives me a thorough briefing, which I am sure the hon. Member of the Opposition wishes he had, so that I can get up and make straightforward, sensible comments on the employment statistics.

There is indeed a change in the employment statistics all across Canada, an increase in unemployment everywhere, and this is largely, I would assume, but

will wait until I have had my briefing, due to increasing interest rates which are slowing down particularly the construction industry.

Mr. Speaker: The hon. the Member for St. Mary's - The Capes.

Mr. Doyle: Harbour Main.

Mr. Speaker: I am sorry. Harbour Main.

Mr. Doyle: Mr. Speaker, I have been questioning the Minister on this particular issue now for about six months and every time the Minister gets up, she is going to get a briefing. Now I am wondering when she is going to get her briefing, and what she is going to do about it when she gets her briefing. The Minister indicated, when I questioned her about a month ago, that she was monitoring the unemployment figures and would introduce additional measures, she told us, to deal with the crisis, if the unemployment figures should warrant it. Now, I want to ask her, in view of the fact that the unemployment rate is 18.8 per cent, and that's a very, very high unemployment rate - 18.8 per cent - is it time yet to introduce these additional measures she was talking about, and what are these measures?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms Cowan: Yes. My critic across the way is doing his usual business of taking what I have said and distorting it or putting it into a totally different time frame than he knows I was stating when I responded to him.

I will repeat again that the employment figures are not good. I am not attempting to run out and defend them in any kind of manner. I have never in this House ever before said I am waiting for a briefing, unemployment notes, so he might take that in mind. I might also remind him of the fact that there was a minus one point seven growth in employment while his Government was in power, while everywhere else in the Maritimes it increased by much, much more, so he is well acquainted with the fact that one does not resolve these issues overnight, Mr. Speaker.

And I can again say just for him, in hopes that eventually he will hear it and it will sink in, although I have grave doubts about his ability to listen and to comprehend, that we are, as a Government, committed to reducing unemployment in this Province and we will, as time passes and as our plans fall into place and we start them, see what we have started, begin to accelerate and result in some meaningful creation of jobs that will see our people in long-term employment.

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. the Member for Harbour Main.

Mr. Doyle: Mr. Speaker, the Minister has had almost 500 nights to deal with this particular issue, to come up with some kind of a program.

Some Hon. Members: Hear, hear!

Mr. Doyle: Now what we are seeing in the unemployment rate of 18.8 per cent is an ominous upward trend, but most of all what we are seeing is that the Minister is

fresh out of ideas to deal with it.

An Hon. Member: Put your question.

Mr. Doyle: Now will the Minister immediately launch some sort of a program to deal with this crisis we are in, or, at the very least, to top up the \$2.9 million program, which is exhausted right now, the \$2.9 million program which was previously \$7 million, will she immediately move to top that up to the original \$7 million so that the people of the Province can have some relief from unemployment?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms Cowan: Thank you, Mr. Speaker. It gives this gentleman on the Opposite side of the House a great deal of pleasure to come in every now and then and try to discredit me in some way and make me look as if I am the one who is responsible for the unemployment in this Province.

Some Hon. Members: Oh, oh!

Ms Cowan: Mr. Speaker, our Government looks -

An Hon. Member: (Inaudible).

Ms Cowan: - upon me as a member of a team, a team of people who are striving towards reducing the unemployment in this Province.

Some Hon. Members: Hear, hear!

Ms Cowan: And any person on the Opposite side of the House who thinks that Newfoundlanders have the expectations that the Minister of Employment and Labour Relations is going to correct this overnight, is crazy.

An Hon. Member: You have had 500 overnights.

Ms Cowan: And, no, I am not about to put \$2.9 million back into a private sector program because it was a useless program that did nothing to meet the commitments of our particular Liberal Party and Government. We are not going to go that route anymore. You might as well forget it, because we are not going to do it. So just get that through your heads. We will, however, look for types of employment programs, and are undertaking some of them at this moment, that will lead to a genuine long-term commitment to the work force which will improve, not only the economic viability of this Province, but will also improve the quality of the lives of people who live here.

Mr. Doyle: A final supplementary, Mr. Speaker.

Mr. Speaker: The hon. the Member for Harbour Main on a final supplementary.

Mr. Doyle: Mr. Speaker, the Minister indicated in answering that question that she is not responsible for the unemployment rate in the Province. Maybe she can indicate to us who is the Minister responsible for unemployment in the Province? Could she tell us that? If she is not responsible, who is?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms Cowan: He will have to repeat the question, because I do not understand it.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

The hon. the Member for Harbour Main.

Mr. Doyle: The Minister said a few minutes ago, when she was answering the question, that she is not responsible for the unemployment rate in the Province. Maybe she could indicate to us who is responsible.

An Hon. Member: What Minister.

Some Hon. Members: Oh, oh!

Ms Cowan: I love it.

Mr. Speaker: Order, please!

An Hon. Member: Who is the Minister of Employment?

Ms Cowan: Thank you, Mr. Speaker.

Mr. Speaker: Order, please!

I have not recognized the Minister yet.

Ms Cowan: Oh, you have not recognized me yet.

Mr. Speaker: The Member can stand, because I cannot recognize you when you are sitting.

Ms Cowan: Okay.

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms Cowan: Thank you, Mr. Speaker. I cannot believe the man asked me that question. Who is responsible for the unemployment in this Province? Who is responsible? And there we have all the figures which I tabled before when I was in here, and I will do it again. They want it

again so let's go. Here we are. The growth in unemployment insurance recipients. Let's look at it. Since 1979 in Newfoundland: We started off in 1979 with 43,862 unemployment insurance recipients in Newfoundland. By 1987 we had 66,196, and then you are asking me who is responsible. I will table that happily, if there is anybody around who wants to take it.

An Hon. Member: Read more, Patt.

Ms Cowan: Okay. The unemployment rate -

An Hon. Member: This is scandalous. Answer the question.

Mr. Speaker: Order, please!

Ms Cowan: I am answering the question, Mr. Speaker, in the best way I can.

Some Hon. Members: Oh, oh!

Ms Cowan: Thank you. We have, and I have said this many times before in this House, an horrendous job before us to try to clear away, to straighten away what was left to us by an Administration before who believed only in make-work programs and let's meet the needs of people today; it does not matter about tomorrow, we will get them off the welfare roles today. That is alright. They will back on in a month or several months down the road, but we will worry about that then.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

I ask the hon. the Minister to take her place. The Chair realizes when we get into matters

of unemployment or employment, as the case might be, that there is a tendency to give long-winded speeches. I remind hon. Members, and hon. Ministers in particular, that the Question Period is for answers and they ought to be as brief as possible. So I have heard enough of the Minister's answer to the question.

The hon. the Member for Fogo.

Mr. Winsor: Thank you, Mr. Speaker. My question is also to the Minister of Employment and Labour Relations. Last week Stats Canada reported that the unemployment rate in Central and Northeastern Newfoundland is at 26 per cent. That means that more than 25 per cent of the population, over a quarter of the population, are unemployed. Will the Minister now admit that in this portion of the Province there is a serious employment crisis?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

The hon. the Minister of Employment and Labour Relations.

Ms Cowan: I have never tried, Mr. Speaker, to hide from the fact that we have an employment problem in this Province. I have never tried to hide from that fact. In fact, we are facing up to it as a Government and have put in place a variety of programs which, over the long-term, are going to see a decrease in the people who are on unemployment.

Mr. Winsor: A supplementary, Mr. Speaker.

Mr. Speaker: The hon. the Member for Fogo.

Mr. Winsor: Now that the Minister has confirmed that there is indeed a 26 per cent unemployment rate in Central Newfoundland, and in view of the fact that this administration has committed itself to an Economic Recovery Commission -

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

I regret having to interrupt the hon. Member, but I want to remind hon. Members on both sides of the House that Question Period will work much more smoothly if we refrain from the interruptions and the loud talking I am hearing from both sides of the House.

The hon. the Member for Fogo.

Mr. Winsor: Thank you, Mr. Speaker. Since there is an unemployment rate of 26 per cent and this Government committed itself in the last election to a recovery program, can the Minister tell us what new employment strategies she has in place for this crisis in Central Newfoundland?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms Cowan: Unfortunately, Mr. Speaker, this Government does not control some of the factors that are leading to unemployment now in this Province and across Canada. As I stated earlier, high interest rates are having a great impact on different types of employment that would usually, at this time of year, take up people who needed work and we would start to see a more positive change in the unemployment statistics.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

I ask the hon. Minister to take her place. The Chair, just seconds ago, asked for the co-operation of all hon. Members on both sides of the House. The Chair gets distracted and cannot listen to the answers. If hon. Members want the Chair to listen to the answer to decide when the answer has been made, I would ask hon. Members again, please, to refrain from talking back and forth across the floor.

The hon. the Minister of Employment and Labour Relations.

Ms Cowan: Thank you, Mr. Speaker. The Government has a number of programs which we hope will develop industry, develop jobs and develop workplaces where people can find employment. We cannot just suddenly wave a magic wand, as we have often said, nor do we have a magic pot into which we can put our hands and pull out all kinds of jobs. We will develop a strong, sound economy, which the Minister of Development, as I have said before, is busy trying to do. The Economic Recovery Commission have proved themselves very good in this particular way. The Minister of Education is seeing that people in the Province get a good education so that they are more readily employable, the type of people who will stay in the Province.

If you would you like to know what I am doing in my Department - if they do not know - and I cannot see how they could have been in this House for this long and not be aware of the different programs, the Canada/Newfoundland Youth Strategy and other programs

we have, the Employment Generation Program that was put in place.

An Hon. Member: (Inaudible) speech.

Mr. Speaker: Order, please!

I remind hon. Members that I would have asked the Minister to have taken her place before she got into responding to a question that was thrown across the floor. Again I remind hon. Members that it does not help the Chair any in trying to decide when a question is answered when a question is flung at the Minister when she is cluing up on that particular answer. I have heard a enough of that answer. On with the question.

The hon. the Member for Fogo.

Mr. Winsor: A supplementary, Mr. Speaker. The Minister has already indicated to this House that in her Employment Generation Program should there be any slippage funds, then the new projects would go the areas of the Province experiencing the highest unemployment rate. Can we now logically assume then that any new funds which will be distributed this year will go to the central/northeast area, since they have the highest unemployment rate in the Province?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms. Cowan: As money becomes available through slippage and we do not have any right at the moment, but when it is available, we will assess the statistics at that time and then look at the applications from the areas of highest unemployment and those that meet the criteria will be

given every consideration.

Mr. Speaker: The hon. the Leader of the Opposition.

Mr. Rideout: Thank you, Mr. Speaker. Mr. Speaker, I have a question for the hon. the Premier. I wonder if the Premier is aware that his, for want of a better word, constitutional envoy, I suppose, the Member for Pleasantville, the person who fills in making constitutional speeches for the Premier from time to time around the Province, the person who takes constitutional issues to radio open-line shows from time to time and the person who has recently accompanied the Premier to the latest constitutional conference, is the Premier aware that the Member for Pleasantville, on the Open Line Show Straight Talk this morning, said the following and I quote, "I believe Newfoundland could do well as an independent country", and what is the Premier's reaction to such a definitive statement by his close constitutional confidant, Mr. Speaker?

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please!

The hon. the Premier.

Premier Wells: I did not hear the statement, nor do I know from the characterization of it by the Leader of the Opposition what the context was. The statement, if it was in answer to a question, may well be a completely accurate and honest answer. If it was cast in the context of expressing the desire or wish of the hon. Member that Newfoundland should be an independent country, I would repudiate it without question. I doubt very much, knowing the hon.

Member as I do, that he implied or suggested any such thing.

An Hon. Member: Yes, he did.

Mr. Speaker: Order, please!

Premier Wells: I doubt very much that hon. Member implied or suggested any such thing. It may simply be an expressing of his great confidence in the economic competence and productive ability of the Newfoundland people.

Some Hon. Members: Hear, hear!

Premier Wells: Don't laugh. Don't decry the economic competence and productive capability of the Newfoundland people quite so easily. He may, indeed, be quite correct in his judgment; he is entitled to that point of view. It does not, I am sure, reflect any wish or desire on his part. And if it does, it is totally contrary to the wish and desire of the Government and, I believe, 99 per cent of the people of this Province. So if he is in that point of view, he is in a very small minority.

Mr. Simms: (Inaudible) gone last fall, Noel gone this spring.

Mr. Speaker: The hon. the Leader of the Opposition.

Mr. Rideout: The Premier is in grave danger of losing his second constitutional adviser in the Government, Mr. Speaker. Mr. Speaker; the same Member indicated this morning, on the same program, that he had researched to show that Newfoundland could do well as an independent country.

An Hon. Member: Oh, oh!

Mr. Rideout: I want to ask the

Premier could the Premier tell the House whether or not the Government has carried out any such research? If so, what were the results of the research the Government carried out, if they had in fact done any?

Mr. Speaker: The hon. the Premier.

Premier Wells: No. Never even gave it a second thought. Unnecessary. We are proudly part of Canada. We are Canadians first, and that is where we are going to remain.

Mr. Speaker: The hon. the Leader of the Opposition.

Mr. Rideout: Mr. Speaker, a supplementary to the Premier. In view of the fact that the Member for Pleasantville has indicated that he has such research data compiled, I wonder would the Premier undertake to have the Government analyze that research data and let the people and this House know whether or not it is valid research data, the source and what it all means, Mr. Speaker?

Mr. Simms: He was speaking on behalf of the Government.

Mr. Rideout: He was speaking on behalf of Government.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

The hon. the Premier.

Premier Wells: Mr. Speaker, the question is so inconsiderate, ill-timed, insensitive of the circumstance -

An Hon. Member: Then why did he bring it up? He is your Member.



Premier Wells: I will start again. The question is so inconsiderate, ill-timed and insensitive of the circumstances that I think the Leader of the Opposition does great offence to the people of this Province to even ask. The answer is no. The Government is not interested in looking at the question. It is not a consideration for the Government, and we have no interest whatsoever in it.

Mr. Speaker: The hon. the Leader of the Opposition.

Mr. Rideout: Let me ask this, Mr. Speaker, to this insensitive Premier over on the other side. Is he sensitive to the fact that Members of his caucus are advocating Newfoundland separatism? Is the Premier satisfied with that, Mr. Speaker, if you want to talk about sensitivity?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!  
Order, please!

The hon. the Premier.

Premier Wells: No, Mr. Speaker. That was started by the Leader of the Opposition.

An Hon. Member: That was started by the Member (inaudible).

An Hon. Member: (Inaudible) thousand Newfoundlanders.

Premier Wells: No, Mr. Speaker, I have not heard it. I have not spoken to the Member concerned, but I know the Member concerned well enough to know that there is no way in this world that he would

even consider advocating it. I know he is as good a Canadian as anybody in the country.

Mr. Rideout: You had better get the tapes. Everybody else heard it, thousands of people.

Mr. Speaker: Order, please!

The hon. the Member for Grand Bank.

Mr. Matthews: Thank you, Mr. Speaker. I have a question for the Minister of Employment and Labour Relations. A few weeks ago, the Minister tabled an invoice from Fishery Products International covering payments to that company under Government's extended notice period payments for April and May and the total for both these months paid to Fishery Products International was \$313,425. I am wondering if the Minister of Employment and Labour Relations could inform the House of what these payments were for. What was covered under this \$313,000?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms. Cowan: Yes, I will take that as a notice of a question and I will get the answer for the gentleman.

Mr. Speaker: The hon. the Member for Grand Bank.

Mr. Matthews: Thank you, Mr. Speaker. I thought a few weeks ago, when the Minister tabled this information, that at least she would know for what her Department was paying out \$313,000 to Fishery Products International for.

Now, on this invoice, Mr. Speaker, there is essential maintenance

cost covered for April; for May there is plant overheads, fleet overheads and essential maintenance cost. Since the Premier and the Minister of Fisheries have consistently said that this money for the extended notice period was going directly into the pockets of the fish plant workers, can the Minister explain for the House what is covered in plant overheads and fleet overheads and essential maintenance cost?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms Cowan: Again, Mr. Speaker, with your permission, I would like to take that as a question and return with the information at the earliest possible opportunity.

Mr. Speaker: The hon. the Member for Grand Bank.

Mr. Matthews: A final supplementary, Mr. Speaker. I wonder, as well, when the Minister comes back with her information, which I hope won't take too long, since this program was announced on January 5 of this year, if the Minister could determine if this payment of \$313,000 represents 20 per cent of the total cost of running the plants at Grand Bank, Gaultois and Trepassey? Is that what's covered here? For instance, would the Minister be able to confirm that even the light bills, and so on, are being paid to Fishery Products International at these three locations?

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms Cowan: I am not quite sure

what he said at the end about light bills, I seemed to lose track of his question. Again, the gentleman is trying to imply that some how or other more money is being given to the company than is necessary. If he had read the contract between the company and the Government, he would realize that there is built into that contract an article which deals with those particular situations, so that if one month there is more money put in than is necessary, then it will be subtracted in another month. If that's the question he was asking, I am not quite sure, because he changed tracks two or three times in the question.

Mr. Speaker: The hon. the Member for Port au Port.

Mr. Hodder: Thank you, Mr. Speaker. A question for the Minister of Fisheries. As the Minister is aware, the fish plant in the District of Port au Port is not working and we have had two storms which have wiped out the lobster fishery. Yesterday, most of the fishermen in the area started in the cod fishery, and the only buyer in the whole of Bay St. George region has decided not to buy. I spoke to the President of the Development Association, Mr. Speaker, and he expressed the feeling this morning that Lazarus visited the District and it had rubbed off.

My question to the Minister is, would the Minister have his officials visit the District of Port au Port and try to take some action to rectify the situation? There are several very serious problems there and, I must say to the Minister, this is one of the most serious problems I have ever seen facing the area: there is no

fish plant, no buyer, fishermen have their gear in the water, and they have no one to whom to sell their fish.

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: Mr. Speaker, I don't want to build up hopes, but I can tell the hon. Member that the Department is now in the process of negotiating with a prospective operator for the plant in Piccadilly. It is not by any means finalized yet, but certainly negotiations are ongoing.

With respect to the other matter raised in his question, I will certainly have my officials check out the situation and see what, if anything, we can do to assist.

Mr. Speaker: The hon. the Member for Port au Port.

Mr. Hodder: Mr. Speaker, with all due respect to the Minister, I am aware of the company with whom the Department of Fisheries is negotiating, and the feeling is that even if a deal were struck with this company this week or next week, it would probably be another month or so before anything could happen with that fish plant. At the present time, the buyer is the fish plant from St. George's - St. George's Seafoods. They have a problem with getting rid of their offal and with some freezing equipment. This morning, fishermen in Blue Beach had to dump all their fish at sea.

My question to the Minister: There is one fish plant in the District, or one buyer in the District, who is now buying lobster, who is willing to take round fish out in the short-term.

Would it be possible to allow round fish to be shipped in the short-term, until there is a buyer or the fish plant is in operation? Would he consider that option?

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: Mr. Speaker, we will certainly consider any option that will help facilitate the fishermen in the area. But I should remind him that there are regulations prohibiting the shipment of round fish out of the Province. And I think the reason for that is quite obvious, because if you start allowing fish to be shipped out in an unprocessed state, then what happens to our fish processing plants? We need all the fish we can get to keep our own plants operating, and I would be awfully reluctant to rescind that regulation. But I will promise to have it investigated. If there is anything at all we can do, short of maybe rescinding that regulation and causing all kinds of havoc in the fishing industry, I will certainly have a look at it.

Mr. Speaker: The hon. the Member for Port au Port.

Mr. Hodder: Mr. Speaker, in light of the fact that the closure of this fish plant affects the District of Stephenville and the District of St. George's, and in light of the fact that the Minister has promised publicly in this House of Assembly that he would go to the District of Port au Port, and the Premier promised on another occasion that the Minister would visit the District of Port au Port, would the Minister go to the Bay St. George area and the Port au Port area and have a look at the situation for

himself? Because this has been going on and on, and it has to be resolved, I would like the Minister to see it first-hand.

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: Mr. Speaker, certainly it is my intention to visit the Port au Port Peninsula at the earliest possible date. Quite frankly, I am rather encouraged by the prospect that maybe when I do visit, hopefully within a very short period, I might be able to bring good news to the people of the Piccadilly area, that maybe we have found an operator for their plant.

Mr. Speaker: The hon. the Member for Humber East.

Ms Verge: My question is for the Minister of Education.

Last week I asked the Minister if he would defend parents' right to have their children attend the school of their choice. I asked him, in particular, if he would defend the interests of parents in Corner Brook who, faced with the prospect of the Integrated School Board closing S. D. Cook School at the end of this month, have applied to have their children attend the nearby Catholic school but have been refused.

The Minister answered last week that that is strictly a school board matter. I ask him now if he has reviewed the law and, if so, if he can confirm that Section 62 of The Schools Act prohibits school boards from refusing to any child admission to a school, except for limited circumstances, and in the event of a dispute between parents and the school board, obligates the Minister of

Education to investigate and make a determination?

Mr. Speaker: The hon. the Minister of Education.

Dr. Warren: Mr. Speaker, I have read the Act and helped write the Act, but I do not remember that particular clause. It seems to me, Mr. Speaker, that that clause has something in it which says, 'if there is no school of the student's denomination in the area...', but I will go and check that. It may have been amended since that section was put in some years ago, and I will go and do that.

In the meantime, Mr. Speaker, the matter of school attendance in a city is generally the responsibility of the board, and that has been my position. The boards are working together on this issue, and they will resolve this issue, I am sure, in due course.

Mr. Speaker: The hon. the Member for Humber East.

Ms Verge: Thank you, Mr. Speaker. A supplementary. The Minister should review the law. There was an amendment in 1974, and there is clearly a role for the Minister of Education. I ask him, upon reviewing the law and finding out what I am saying is right, will he intervene in the interest of the parents in Corner Brook to see that they have their children attend the school of their choice?

Mr. Speaker: The hon. the Minister of Education.

Dr. Warren: Mr. Speaker, I am afraid I cannot give any such commitment. I will review the

law, and if there is anything in the law which requires the Minister to act, the Minister will Act. It is my understanding, I want to repeat again, that matters of attendance are the responsibility of the school boards, where appropriate schools are there. Often school boards have understandings about the transfer of students from one school board to the other. I will check it out and report back to the Member on that issue.

Mr. Speaker: The hon. the Member for Fogo.

Mr. Winsor: Thank you, Mr. Speaker. My question is to the Minister of Fisheries. The Minister is aware that the Department of Fisheries has closed the commercial herring fishery for this year. At the request of the Fogo Island Co-operative and some other fishermen in the area, the season was extended for one week. The Co-op still has markets and the resource is still there in abundance, yet the season is closed. Is the Minister aware of this, and has he made representation to have it opened for an extended week period?

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: Mr. Speaker, again I will have to take that question as notice, and maybe before Question Period adjourns, I might have an answer to the question.

Mr. Speaker: The hon. the Member for Fogo.

Mr. Winsor: Mr. Speaker, the information I gave the Minister is right. I had a conversation this morning with both parties. Will the Minister personally intervene

with Federal Fisheries and get this request in quickly, as the caplin fishery is some two weeks away yet and there is no sign of codfish? The fishermen are requesting the Minister's personal intervention. Will he get involved today?

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: I certainly have no objection. If the cause is a just one and a right one, I have no objection to personally intervening and using what little influence I might have on the Federal Minister to accede to their request. I hope, before we leave here this afternoon, I might have an answer to that question.

Mr. Speaker: The hon. the Opposition House Leader.

Mr. Simms: Thank you, Mr. Speaker. My question is for the Minister responsible for public libraries throughout the Province. Can the Minister confirm that public libraries throughout the Province will, in fact, because of budgetary cutbacks, have to close their doors for various periods throughout the summer?

Mr. Speaker: The hon. the Minister of Municipal and Provincial Affairs.

Mr. Gullage: No, Mr. Speaker, I am not aware of any closures throughout the summer as a result of Budget cutbacks.

Mr. Speaker: The hon. the Opposition House Leader.

Mr. Simms: A supplementary, Mr. Speaker. I do not know where the Minister has been. There has been

public documentation of it and, in fact, there was a major interview on CBC one morning. It has been confirmed that what public libraries are going to have to do throughout the Province is close their doors for periods of several weeks because they do not have enough funds to pay the employee's salaries for those periods of times. I ask the Minister if he would investigate this matter and, upon finding what I am suggesting is accurate, would he encourage his colleagues in Government to provide whatever assistance is available in order to allow those libraries to remain open during the summer time, particularly during this period when there is so much talk about illiteracy? Obviously, it would be a serious problem, and it is.

Mr. Speaker: The hon. the Minister of Municipal and Provincial Affairs.

Mr. Gullage: Mr. Speaker, it would be a serious problem if it was accurate, but the dialogue I have had with the Libraries Board is such that, because of regionalization of the library services, there has been some staff reduction in Central Newfoundland. I presume that is the area you are talking about, in particular, but there has been no cutback in services. I will investigate it and report back to the House, but I am not aware of any cutback in services.

Mr. Speaker: Question Period has expired.

Before moving to the next item of business, I would like to welcome to the Speaker's gallery today two former MHAs, Mr. Ray Baird and Mr. John McLennon.

Some Hon. Members: Hear, hear!

### Notices of Motion

Mr. Speaker: The hon. the Minister of Employment and Labour Relations.

Ms. Cowan: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill entitled, "An Act To Amend The Labour Relations Act, 1977, No. 2". (Bill No. 56).

### Orders of the Day

Mr. Baker: Order 31, Mr. Speaker.

Motion, second reading of a Bill, "An Act To Amend The Commissioners For Oaths Act." (Bill No. 47).

The hon. the Minister of Justice.

Mr. Dicks: Thank you, Mr. Speaker. The Bill before the House is a simple measure which is intended and does in fact allow the Lieutenant-Governor in Council to prescribe fees that the Minister of Justice may charge for an appointment or renewal of an appointment as commissioner for Oaths under sections 2 and 3. The Office of Commissioner of Oaths entitles an individual, who in many cases does not hold any other official capacity, to witness official documents. Those individuals often charge fees themselves for taking signatures on deeds, mortgages and so forth. We have many of them throughout the Island to enable the community and the individuals to be able to get documents written which is generally necessary for legal documentation, applications to

Government and so forth.

The intent of that is because there is a cost to Government in processing the documentation, and that these individuals who themselves, in some cases at least, make some income from it and because it is to some extent deemed to be an honour. It was felt appropriate that we should at the same time be able to prescribe a certain fee that would come close to compensating the Government for the work involved.

It is our intent to go forward with it. It is part of our budgetary measures. A simple amendment, Mr. Speaker, and I therefore move second reading.

Mr. Speaker: The hon. the Member for Humber East.

Ms Verge: Thank you, Mr. Speaker.

This measure is the latest in the Government's series of fee increases.

Mr. Simms: Hidden increases.

Ms Verge: The Minister of Finance is using various means to extract money from the pockets of Newfoundlanders and Labradorians. Charging a fee for Commissioner of Oaths, appointments and renewals, is yet another creative way for the Minister of Finance to raise revenue. The Social Legislative Review Committee, of which I am a member, considered this measure, and we unanimously recommended its approval. The recommendation was given on my part on the understanding that the Cabinet would set reasonable fees. I believe it is not unreasonable for the Department of Justice to charge a small fee for Commissioner for Oaths

appointments and renewals. As I understand it this measure will not impose a fee on Commissioners appointments that are ex officio. For example, some people, such as Members of the House of Assembly by virtue of their offices, are Commissioners for Oaths. It is automatic on attaining the position and no application is necessary. As I understand it this measure will authorize the Cabinet to allow the Minister of Justice to collect fees for those Commissioner for Oaths appointments and renewals that require application to the Department of Justice, and necessitate administrative work within the Department.

When the Minister speaks to close this debate on second reading, I would call on him to tell the House of Assembly, roughly, how many applications his Department processes in the run of a year, how much of a fee the Cabinet anticipates charging, and therefore how much revenue annually the Government will derive from this measure?

Thank you, Mr. Speaker.

Mr. Speaker: The hon. the Opposition House Leader.

Mr. Simms: Mr. Speaker, I just want to have a few words on the Bill, very briefly, because I was intrigued by what my colleague the Member for Humber East exposed in this Bill. I must confess I had not given the legislation much thought or consideration at all. It seemed like such a minor, innocuous little piece of legislation that it was almost going to slip through without any questions. I listened intently to my colleague, the Member for Humber East, who as always does a

considerable amount of homework, makes a lot of enquiries, and asks a lot of questions behind the scenes, so that she can ask striking questions of the Minister responsible.

In this case, she has, and I simply want to re-emphasize the questions she has put, in the hope that the Minister would not just get up and slough it off, and to let him know that we really feel it is important to know the information. The questions related to the fee, surely they must know what the fee will be, and surely they must have estimated some revenue in this fiscal year under this category, this fee increase, this hidden fee increase, by the way, another of the hidden fee increases that were announced in the Budget by the Minister of Finance, however there were no specifics provided. Government expects to increase various fees and raise a couple of million dollars, I think, \$5 million.

We have to struggle to try and get the Minister of Finance to tell us what fees he is talking about increasing. Are fishing license fees going up, for fishing permits? Is this fee going up, is that fee going up? We do not know. It is like pulling teeth, you cannot get answers from the Minister of Finance. It's only when a Minister, like the Minister of Justice, has to bring in a piece of legislation to get the authority to charge the fee, that we finally find out, here is another fee that has been increased that we knew nothing about. The Minister of Finance was not forthcoming at all during the Budgetary process in telling us, because the Member for Grand Bank, and the Member for Mount

Pearl frequently asked the Minister of Finance what fees are you increasing and we cannot get any answers. We pick it up bit by bit and here is another example.

So, I hope the Minister of Justice realizes the question from the Member for Humber East is quite serious, and we fully expect that he would have the answer to the question as to what fee will be charged for a commissioner of oaths and how much have you estimated in your budget this year as revenue from the charging of this fee? And when will the fee take effect, for example, is it effective retroactively to this fiscal year or is it effective as of the date of this legislation or whatever?

And I was also intrigued by the description given by the Member for Humber East about the ex officio Commissioner for Oaths, and I wonder if the Minister in closing the debate can elaborate a bit more. I understand she means people like MHAs because she mentioned MHAs. Who else falls into the category of ex officio Commissioner for Oaths. For example, does my secretary fall into that category, who happens to be a Commissioner for Oaths as well, because lots of times Members will get constituents that come to see them to sign documents or whatever, and sometimes the Member is not there so my secretary has been a Commissioner for Oaths for a number of years and has often helped out people who needed some kind of signature on a document to get a passport or whatever the case might be.

So, does ex officio, and I could easily ask the Member for Humber East, but I think it is more pertinent to ask the Minister of



Justice so he can elaborate for the public's information who else is in that category and is it actually called the ex officio Commissioner of Oaths or what it is called, who will not pay the fee and who will have to pay the fee, how much will the fee be and how much you have estimated in your budget for it? Thank you, Mr. Speaker.

Mr. Speaker: The hon. the Member for Humber Valley.

Mr. Woodford: Thank you, Mr. Speaker. I would just like to make a couple of comments on the Bill. And I would like to stress the importance a Commissioner of Oaths holds in the small communities in this Province, and rural areas of the Province. I do not know if anybody is aware of it or not, but in a lot of the isolated communities in this Province in order to get a document signed, the one I was familiar with was an application for Crown lands, for instance, signed by a Commissioner of Oaths and sometimes just a witness, but some of the other leases and grants signed by a Commissioner of Oaths. And you had to travel even to Deer Lake, so I can imagine what it would cost in other areas of the Province if there are any changes that are not - I do not know, I would say that they still have the same powers. They are not changing the powers.

But the other thing that I would like to mention is the fact that it says appointment or renewal. Now one of the other areas that was always taken for granted, and I do not know if it was in an Act or if it was just something in a Municipalities Act or what, but the Mayors in each community used to always be automatically a

Commissioner of Oaths and you would get that stamp 'in and for the Province of Newfoundland', but you had to put it there being Mayor of, for instance, Cormack or anywhere else. Does that still remain the same or are they eliminated from becoming a Commissioner of Oaths, and they would have to depend on an appointment or renewal.

Is there going to be a time period once the appointment is made, for what period of time, will it be for one year, two years, three or five or whatever? Is there a time limit on it?

And last but not least, it has been asked by the two previous Members and I echo the same comments and ask the same question, what will the fees be? I do not think any person in the community should be inhibited by the amount of fee that would be charged to stop them from becoming a Commissioner of Oaths, because of the importance it holds to small, rural and isolated communities.

So, just a few short questions and maybe the Minister could answer them before he closes the debate.

Mr. Speaker: If the Minister speaks now, he closes the debate.

The hon. the Minister of Justice.

Mr. Dicks: Thank you, Mr. Speaker. I would like to first of all alleviate the concern uppermost in the hon. Opposition House Leader's mind, and that is, of course, that MHAs themselves do not have to pay any fees.

I should point out the nature of the appointment itself. There are different people in the Province,

who by virtue of holding other offices, are entitled to witness documents. Those included as the hon. Member for Humber Valley stated, mayors of communities. Judges can witness documents, as can lawyers and people with other capacities. There is a list of those individuals in the Registration of Deeds Act which I do not have with me.

Mr. Tobin: Social workers.

Mr. Dicks: Perhaps, social workers, as the hon. Member suggests. I do not recall that one particularly, but certainly officers of the law, sheriffs and so forth. Justices of the Peace can also themselves witness documents.

However, this measure is intended to supply solely to those people who only hold the office of Commissioner of Oaths. If you, as mayor, are entitled to register a document, it would not necessarily follow that you would have to become a Commissioner of Oaths, if your office entitles you to witness documents and so forth. Offhand, I am not sure of the situation which the Member indicates, where the mayor in Cormack or Reidville area may have

An Hon. Member: (Inaudible).

Mr. Dicks: That is right. I just want to point out there is a distinction between becoming a Commissioner of Oaths and having the legal capacity to sign documents. So with that it would depend upon the office. I am not certain at this point whether mayors themselves get a special Commissioner of Oaths because of that position, which I think to be the case, or if they as an

(inaudible) that role also apply and become Commissioner of Oaths. If the mayors themselves have that capacity, which I believe they do under The Registration of Deeds Act, there is no need nor would they be considered just solely Commissioners of Oaths.

In any event, my recollection of the figures in the Estimates are that there are 5,000 Commissioners of Oaths in the Province, each of whom hold office for five years, and that is a renewal period. My recollection is that it is anticipated that approximately 1,000 of these will come due each year. The fee to be charged is \$125, resulting in revenue to the Government of approximately \$125,000 per annum. That equates to roughly \$25 for each year of the period for which a person is a Commissioner of Oaths.

What I will do, however, with the Members 'leave' is file in the House and table an exact answer to the question with respect to which offices will be affected. I am not certain on the question of mayors. I do know for instances that Notary Publics, Justices, and lawyers and those people holding other capacities do not have to pay this fee. The position with respect to mayors, I am unclear on at this point, and I will file an answer and also table and confirm in the House the fees to be charged.

If there are no other questions?

Mr. Woodford: This fee would be for the renewal or the appointment of Commissioner of Oaths. But what about the Commission of Oaths to the individual, to the client? Is there a set fee there?

Mr. Dicks: No. Mr. Speaker,

there is no set fee. Commissioners of Oaths generally can charge any fee they want, many people just do it as a matter of courtesy. I think many lawyers, for instance, who witness documents, despite the general perception of the legal community in the Province, themselves do not always charge fees either. So it is a matter of whether or not the individual concerned wishes to charge it. We do not prescribe a particular fee for a service provided by any Commissioners of Oaths.

If I had adequately dealt with the questions, such as I have information at this time, I therefore move second reading.

Thank you, Mr. Speaker.

On motion, a Bill, "An Act To Amend The Commissioners For Oaths Act," read a second time, ordered referred to a Committee of the Whole House on tomorrow." (Bill No. 47).

Mr. Speaker: Before recognizing the hon. Government House Leader to tell Members what we are going to proceed to next, I would like, on behalf of hon. Members, to welcome to the galleries today, two classes of Grade VII students from St. Anne's Academy of Dunville, accompanied by their teachers, Mr. Murphy, Ms Pittman and Ms O'Rielly.

Some Hon. Members: Hear, hear!

Mr. Baker: Order 35, Mr. Speaker.

Motion, second reading of a Bill, "An Act To Amend The Adoption Of Children Act, 1972". (Bill No. 52).

The hon. the Minister of Social Services.

Mr. Efford: Thank you, Mr. Speaker. Mr. Speaker, it is with great pleasure that I am able to introduce this Bill to the hon. House of Assembly.

Looking back, over the last number of years, there has been very little changes to the Child Welfare Act. It was, I think, 1972 when the last major changes had taken place, and because of the changes in the Charter of Rights and Freedoms and the Constitution, we certainly need to make some major changes to the Act to meet the needs of the children of today, and for their protection.

This particular Bill, Mr. Speaker, Bill No. 52, makes some amendments to the present Child Welfare Act which are long overdue, but over the next year, we will hopefully, introduce a complete revision of the Child Welfare Act. I wanted particularly to bring this Bill before the House of Assembly, especially to deal with the Post Adoption Services. There are a number of other changes in the Act and it is to, as I said, to bring it in line with the Charter of Rights and Freedoms and gives consent if needed for a child to be adopted.

Under the present law, the old law, it is just the mother of the child who has to give consent, but now you can deal with the father or the mother, if separation has taken place in the family.

As I said, Mr. Speaker, the most important part of the Act that I wanted to deal with is where it deals with the Post Adoption Services. I think the former Administration had introduced a White Paper on Post Adoption Services and they had taken it to the public format. I attended a

number of the public forums where the former Minister had introduced the Bill and brought before the public the concerns on the White Paper which he was introducing, and I think the Minister himself, at the time, admitted and realized that what he was introducing or what he was bringing forth in the White Paper, was certainly meeting with a lot of opposition from the general public, because it created one tremendous amount of fear, not only to the adopted parents of children, but to the adopted children themselves, if this Bill were to be introduced in the House at its full length which the Minister, at the time was talking about. I must commend the Minister that he did take it to the general public, and he did go himself and meet with all the different groups who expressed their major concerns about what they were talking about, about the concerns that they had and met. I know of one particular meeting that I attended in Harbour Grace where the Minister at the time, the hon. Mr. Brett, met with a number of concerned parents. I think that particular night, I guess there were probably about twenty-five or thirty parents there, and the major concern they had at that particular time was, that the White Paper was dealing with the fact that at any particular time any natural member of the family - mother, father or relative - could walk into the home. That was the greatest fear they had at that particular time. They could walk into the home at any given time and say: look, that's my son, that's my daughter, that's my nephew or niece or cousin or whatever, without any real awareness of the adoptive family at all. That was the fear they held, and the paper really was certainly dealing with that.

We have to accept the fact that once you go through the court system and you adopt a child, that child is yours. You adopt a child and the court awards you this. You take the same full responsibility for an adopted child as you would if that child was born of your own flesh and blood, that's a natural thing. You accept total and full responsibility. Now to tell a parent, when that child reaches the age of four, five or six or any age, that out of the blue, somebody could walk in to your house and say: Hi, this is my child and I want to come and I want to see it - a total disruption. The fear those people encounter at that time would deter anybody from ever adopting and it would destroy a lot of families. And at the same time you have to be considerate. And I think the adoptive parents recognize this. You have to consider that at some point in time adopted individuals might like to know their family members, and probably, when they become of age, they might like to meet them, and be interested in their family heritage or whatever.

Well we had to be responsible and the Department had to be responsible, and take a look at this paper and to see what we could do. So after becoming Minister last year I met with the officials of my Department, because I had some prior information and some concerns when the former Minister, Mr. Brett, introduced it in the House of Assembly. We discussed it on several occasions, and I had been aware of what was in it because I had attended several meetings. He expressed to me personally that he had some great concerns about it. I can understand the position he took at the time. After he

introduced the paper he was taken out of the post or moved to another post. I am not sure why it was not followed up.

But anyway after being appointed Minister of Social Services we discussed this at great length in the Department, all the officials; the Director of Child Welfare; the deputy minister level, the executive level; and all the people responsible. We even talked to the social workers in the Child Welfare area, and we discussed it at some great length. And I met and talked with numerous groups around the Province by phone, and I heard from them, in fact, when the people knew that I was ready to introduce this bill into the House of Assembly, I did get a lot of phone calls. And I must say out around my area, in Conception Bay where I live, there is a large number of adoptive parents whom I met personally with, on an individual basis, and two or three together and they expressed the same concerns. And I have also met with a number of adult adoptees who expressed to me their concerns about this paper and what should be done.

So I wanted to get the bill introduced in the House, and I wanted to make sure that we were doing it for the best interest, not only of the children or the adoptive parents, but the natural parents. Everyone's concerns have to be addressed because you cannot bar out one group in favour of another group without using some good rationalization and some good logic about this whole thing. Because I can just imagine being a parent myself if I today had to put a child up for adoption because of some reasons, emotional or stress or sickness or

whatever. Later on down the road, if I wanted to find my child, there must be one tremendous emotional strain for any individual to have to go through. And we have to realize for any number of reasons, beyond any individual's control, that that could take place in hundreds and hundreds of cases, not only in the Province, but anywhere in the country. It happens many, many times that single parents have to give their child up for adoption, and probably through no fault of their own. So we had to take a look at how it was affecting each and every person. And we wanted to address it in a way where everybody could at least have some consolation knowing that their concerns were being addressed, and at some point we could answer all these questions.

So we talked and we debated and we asked and we have listened to everybody's views, and what is in this bill is the consensus that I think best satisfies and best answers the questions of all of the people. And our main concern, of course, must be for the adopted children themselves. So it reads here that the adopted person can find the information and seek out their natural parents and their brothers and sisters or relatives.

An Hon. Member: (Inaudible).

Mr. Efford: Yes, I have no problem with that, because I agree with you. The words there say 'The Minister may or may not.' And I do not think that should be left up to the Minister at a whim to say, well I am not going to do it or I will do it. I agree with you. When it was brought to my attention, when we put those words in there, it was not the intention to give the Minister a particular

amount of power at any time. I totally agree with you. So what it should read is that, 'The Minister shall on the request of an individual give the information.' And I agree with you on that. I have no problems with changing that particular wording. That certainly adds to the ability of the adopted person to get their information; we know now, by putting that word in, there will be nothing standing in the way.

So, it is considered that the adoptive parents now can accept this piece of legislation because they know there is no fear of their lives being thrown into turmoil at some point in time without prior warning and without their being informed. They know now that the adopted child can seek information and have it accessible to them once they reach adulthood, the age of nineteen.

One of the major problems over past decades was that there was never enough information kept on file. That is one thing we, in the Department of Social Services have to be responsible for. We must make sure that all information is kept on file, accurate and accessible. But we can't answer for the past two or three decades as to why that wasn't done. A problem we have now in the Department is that we have a number of people who must do a great deal of work on the files, compiling information and making sure that, as much as possible, we research, gather information and get all the files as accurate and as up-to-date as we can. Now, it is going to be one tremendous workload, but it must be done. The one thing we can ensure today is that all the information in the files of any

child up for adoption is kept accurate. And, outside the keeping of basic information on children and on family history - and the Member for St. John's East and I had a brief discussion on this - we do it for health reasons. I mean, we have to be very considerate of what could take place in future, and we must have all the information accurately, and confidentially, I might add, on file. If it needs to be accessed by any family member, it should be there.

So, as Minister of Social Services, I am, as I said earlier, pleased to introduce this Bill. But it is not enough to introduce it in the House of Assembly, unless the work leading up to it and the follow-up work is done accurately, ensuring that information is readily available to provide some comfort for the families involved, the natural parents, the adoptive parents and the children, themselves, should they, at any point, wish to access the information.

Mr. Speaker: The hon. the Member for Burin - Placentia West.

Mr. Tobin: Thank you very much, Mr. Speaker.

I would like to make a few comments. Number one, I am very familiar with this piece of legislation before the House, because I was involved with it when I was Minister of Social Services.

I have some objections I want to make. I certainly want to compliment the Department for putting work and effort into this for the past couple of years. However, there is an Adoptive Parents Association and other

groups and individuals out there in the Province who, I honestly believe, should have been given a copy of this legislation so that they could look at it and give their views on it. I am disappointed the Department did not do this.

Mr. Efford: Would you repeat that?

Mr. Tobin: I said, I honestly believe the Adoptive Parents Association should have been given a copy of this so they could have input. I believe my colleague from Carbonear will be addressing that in a minute, as concern about it was raised in Committee recently.

I remember, Mr. Speaker, that as Minister of Social Services, I met with these groups, as, I am sure, the present Minister has done, people who will be affected by this legislation.

I see the Bill, basically, in two stages. The first stage deals primarily with the legalities and other things, but from Section 2.22(1) to the end, Mr. Speaker, is the part with which I have some difficulty. Now, I heard the Minister say, in response to a question from my colleague from Humber East, that he is prepared to substitute the word 'shall' for the word 'may'. I don't know what the procedure is for that. I am sure the Government House Leader does. The Minister is prepared to change the word in Section 22(2) that reads, 'Presently the Minister may authorize the release of information contained', he is now prepared to change it to 'shall'. So I don't know if the Minister -

An Hon. Member: At Committee stage.

Mr. Tobin: At Committee stage that will be dealt with. I am delighted the Minister has agreed to that, Mr. Speaker, not that I wouldn't trust the Minister to release the information, it puts a tremendous amount of responsibility on the shoulders of anyone who will be Minister in the present or future, when some officials will want him to release it, other officials will be advising they shouldn't release it; but if it is explicit here, then the responsibility would not lie with the Minister to make that type of decision.

I also had the opportunity to meet Dr. Sachdev of the University and to read the book prepared by him. I think it is called Unlocking the Files, Mr. Speaker. I must say I had a great deal of respect for the good doctor when I was (Inaudible), and I must say I found his book rather interesting. He went further in his recommendations, I believe, than most people in the Department were prepared to embrace at that particular time when I was there, but he did make some very good points. What is happening here is a difficult situation because you have some people who are going to become extremely protective over the information, and you have other people who for some reason have no problems with it. There may be a case where an adopted child seeks out his parents and one day walks up to their door and says, I would like to meet my natural mother, in a family where nobody knew that an adopted child existed. That is the balance that has to be struck in this, and I think it has been, although there is some argument. I would have loved, and I say to the Minister of Social Services in all sincerity, I would really wish

that the Adopted Parents Association had to have a look at this and then make their recommendations back to the Social Policy Committee.

I believe there is basically an agreement with the Social Policy Committee, and I want this on the record, I want this put on the record, Mr. Speaker, that the only way I am going to give my support to this piece of legislation is based on a commitment from the Minister, and which the Chairman has from the Deputy Minister, and that is that this fall there will be a new Act coming before the Legislature to deal with adoptions. I believe the Minister has made that commitment to us.

Mr. Efford: A new Child Welfare Act.

Mr. Tobin: That will deal with this aspect as well.

Ms Verge: (Inaudible) new Adoption Act as well.

Mr. Efford: This is going to be incorporated into the new Act.

Mr. Tobin: So, the Minister is saying that what we passed today will be incorporated into the new Act, and the new Child Welfare Act will not make any changes to what we pass here today? That is not what I have been told by my colleague.

Mr. Efford: It all depends on (Inaudible).

Mr. Tobin: That is not what I was told. I was not told that there would be an amendment. I was told by my colleague for Carbonear, the Chairman, and my colleague for Humber East, the Vice-Chairperson, I was told by these two people,

Mr. Speaker, that this Act would be dealt with in greater detail in the fall, and that there would be a new Act coming in. I assured both of them that I had some concerns as it relates to the extent that this goes and the amount of input that is into it. I feel that there should be more.

Mr. Hogan: (Inaudible) told.

Mr. Tobin: That is not what I was told and the Member for Placentia does not know what I was told because he was not there when I was told it.

Some Hon. Members: Oh, oh!

Mr. Tobin: That is not what the Minister just said.

Mr. Reid: A point of order, Mr. Speaker.

Mr. Speaker: The hon. the Member for Carbonear on a point of order.

Mr. Reid: A point of information, Mr. Speaker. There seems to be some misunderstanding here. The commitment that has been made from the Department of Social Services, basically, is they will try their utmost for the fall of this year to present to this House a new Act, and within that new Act the whole question of adoptions will be dealt with. If that is the case, and the Legislative Review Committees are still intact, and I believe they will be, then our Legislative Review Committee will deal with the Act. I believe the hon. Member for Humber East, and myself, were given that assurance, and that is the reason why I made that promise to you, or I made that comment, to the hon. Member for Burin - Placentia West.

Mr. Speaker: A point of



clarification.

The hon. the Member for Burin - Placentia West.

Mr. Tobin: Personally, what I would like to do, is take this new Act, and I know that time does not permit, and I know the Minister and the Department are anxious to get it on, and I know it will not solve, by the way, near the number of enquiries that the Minister has right now, but it will go a long way to solve the most of it. So I guess we cannot hang up that type of progress, because it will solve most of them. But it will not solve all of the inquiries that the Minister has.

But what I would like to do is to have the opportunity, I am sure we will over the summer, to sit down with the Adoptive Parents Association when the new act comes in, and I think that is very important, and also I think it is very important that the Members read the book by Dr. Sachdev, Unlocking The Files.

An Hon. Member: (Inaudible).

Mr. Tobin: No, no I am not talking about the Minister, I am talking about the Social Policy Committee Members. I think we should do that, and I believe we should meet with them and probably, Mr. Speaker, the Minister of Social Services may be kind enough through his officials to set up some sort of a meeting for the Committee as we move into it, some sort of a meeting with adoptees that may be willing to sit down with us, in private, to discuss some of their concerns about it. I do know when I was Minister I met with some of these individuals who wanted to come in and meet with us privately, and I

am sure that the deputy minister and the director will probably have the names of these people and I would appreciate it if the Minister would try to arrange for us to have that meeting.

But, Mr. Speaker, I think when you look at this bill, while I believe there will be certain groups out there who will argue that it does not go far enough, there may be some out there who will say it goes too far. But I doubt that. But I believe there will be some out there who will argue that it does not go far enough. It will not solve, and I will repeat that, it will not solve the answers to all of the inquiries that the Minister has on his file in terms of people who are searching out their adoptive parents or natural parents who are searching for their adopted child.

But I would ask the House to look seriously at this because it will solve some of the problem. There is no doubt about that. It will solve some of it. And I have no difficulty now that I am aware, and the Minister has committed here today, that there will be a new act ready this fall. But we will take the Minister's word for it, and we will give him the benefit of the doubt, and hopefully we can have it the fall. Mr. Speaker, if the Minister does not bring it to the House this fall, I will not get into that, because I will give him the benefit of the doubt and look forward to it.

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. the Member for Carbonear.

Mr. Reid: I would just like to make a couple of brief comments.

I am known to stand and give credit where credit is due and this is another case where I have to do that. I have to apologize first of all to a number of groups in the Province that we have already informed that they would have some input into this particular section of the act. And we all realize in the House what happened I guess and the fact that the House will be closing, I hope, or at least, I hear tomorrow, and we would not get time to deal with the Bill.

With that in mind yesterday the hon. Member for Humber East and myself got together, and under her recommendation and with agreement from myself, and as well as from the Member for Burin - Placentia West and other Members of the Committee, we felt that because of the urgency of this particular matter we should deal with the Bill. We were told in Committee that over 1,000 people would be able to avail almost immediately, or as soon as the Minister could set up the necessary people, we felt to make these people wait until the fall would be, I guess, not only detrimental to their health, as our hon. colleague for St. John's East mentioned some time ago, but only to cause more torment to a large number of people in the Province.

And I have to say here that this particular process that we went through in the last forty-eight hours within the Legislative Review Committee and with Members of both Government and Opposition, is an indication that the Legislative Review Committees are working, because without this process and without a Legislative Review Committee in place to deal with this particular issue, I do not think that this Bill would

have made it to the floor today.

And I would like to take the opportunity to thank my vice chairman from Humber East, also the hon. Member from Burin-Placentia and all the Committee Members who understand, I believe, the urgency of this, and at the same time apologize to those people in the Province who will, I guess, hopefully have further input into this process later on when the new Act comes forward. I thank the hon. Member most sincerely from Humber East for her cooperation on this. Thank you very much.

Mr. Speaker: The hon. the Member for Humber East.

Ms Verge: Thank you, Mr. Speaker. I am rising to express my support for this Bill. I believe it represents three major improvements in the Province's adoption legislation. I am inclined to think that we should have further amendments to the Act and I am glad to hear the Minister's pledge that he will prepare a revised Adoptions Bill and have it ready for the House sitting in the Fall.

As the Member for Carbonear who chairs the Social Legislative Review Committee just said, the Review Committee had one meeting on this Bill. The Bill was not printed or distributed until the last few days, so there was time for the Review Committee to have only one meeting on the Bill. That took place last Thursday, and during that session the Committee heard from senior officials of the Department of Social Services as well as the Department of Justice lawyer who does work for the Department of Social Services and who is involved in drafting,

especially the first part of this Bill.

After listening to them and having an opportunity to question them I became convinced that there is considerable urgency attached to this measure. The Committee Members felt that we should really have public consultation about the contents of the Bill, but we realized that time is running out. And when faced with a choice of passing the Bill now so that literally hundreds of individuals around the Province, who are anxiously awaiting these new measures, will get practical benefit from the provisions on the one hand, and on the other, interested people having a chance to meet with our Committee, I personally came to the conclusion, that given that difficult choice, it is better to move ahead with the passage of the Bill.

Having made that conclusion I recognize that there already has been quite a bit of public consultation about proposals for changes to our Province's adoptions legislation. As the Minister said when he introduced the Bill, a couple of years ago the previous Government, of which I was a Member, published a discussion paper laying out alternatives for reform of our Adoptions Law, in particular for opening up adoptions information for, if you like, liberalizing adoptions information - small 'l' liberalization.

Mr. Chairman, in the last several months I have had several calls from people who are desperately seeking information about their biological relatives. Two of the calls came from people who most acutely want to have medical information about their natural

relatives. They and the others who have contacted me also for emotional reasons, very much want to know the identity of their biological relatives.

At least two of these people are conducting their own private searches for information, since the present law and policy of the Provincial Government is such that the Department of Social Services simply passively receives requests for information, requests from either adoptees or from biological parents who placed their children for adoption. The Department does not act on those requests unless it receives matching requests from the other parties. That policy is not well known. The result is that the Department facilitates very few matches. One of the provisions of this Bill provides that adult adoptees, adoptees nineteen and over, will be able to request from the Department of Social Services information about their biological parents.

The Minister shall, assuming the suggested amendment is adopted, then give the adult adoptee the nonidentifying information that is in the Department's files. In the case of identifying information the Minister shall provide the information upon obtaining the consent of the party or parties being identified.

I interpret that to mean that once an adult adoptee goes to the Department of Social Services asking for information, the Department then, on a confidential basis, will approach the biological mother or biological relatives. Only if those parties consent, only if they consent, will the Department then disclose, to the adult adoptee making the request, the name or names.

I support that, Mr. Speaker. I think that is a positive reform in the Province's adoption law. I believe it is supported by research that has been conducted by psychologists and social workers. I have read Dr. Sachdev's Report. Now some of the research findings, of which I am aware, substantiate even more sweeping reforms in the law. Some of the research data support an even more active policy of Government facilitation of information exchange and of introductions. I would hope that the overhaul of the adoptions legislation, that the Minister and his staff are working on now, will include a canvas of those research findings, and will present further changes that will permit greater disclosure of information. I would hope the Legislative Review Committee will be able to examine provisions for even greater disclosure of information. The Committee will definitely hold public hearings on the proposed overhaul of the whole Act, and through that process the Committee Members will be able to meet with and question experts in the field, researchers, psychologists, social workers, and individuals who have been personally involved in adoptions in various ways.

Mr. Speaker, one of the reforms I hope the new Bill, the overhaul of the whole Act, will include, is a requirement that the Department of Social Services acquire all available medical information about biological relatives of a child placed for adoption. Furthermore, that that information be given to the adoptive parents when the adoption is being arranged.

Another reform that I would advocate is to facilitate the

provision of medical information with respect to adoptions arranged in the past, where that information is not now in the Department's files. One of the cases that has come to my attention involves an adult adoptee, now married with her own children, who has a serious medical problem. Her doctors, who are trying to diagnose her condition, believe that her natural family's medical history would be extremely helpful.

The adult adoptee has been dealing with the Department of Social Services and she has received from the Post Adoption Services division of the Department, the information that is in the Department files, however, that information is very scanty and what she and her doctors need is an approach to the biological mother or other natural relatives and/or their doctors. The Department now is paralyzed, because the current law and policy don't allow the staff to take those further steps. The current policy evidently is prohibiting the staff from initiating even a confidential search for the medical information.

To satisfy the adult adoptee's needs, it wouldn't be necessary to give her the names of her biological parents or relatives. What she needs most acutely is, simply the medical history of the biological family. So I bring that to the attention of the Minister in the hope that in his work to more comprehensively overhaul the Act, he will incorporate those issues and those needs.

The other provisions of this Bill, Mr. Speaker - I mention there are three main provisions. The other

provisions are; No. 1. Measures to comply with the Charter of Rights and Freedoms in recognizing the interest of unmarried fathers in adoptions proceedings.

The Department and their legal advisers have adopted a prudent course in drafting this amendment. They have learned from the experience of other jurisdictions of Canada, that acted more quickly after the coming into force of Section 15 of the Charter in 1985, and amended their adoptions legislation to give unmarried fathers exactly the same rights as married fathers. Unfortunately and sadly, practical problems resulted, because some unmarried fathers have absolutely no interest in their offspring and flee the scene, once they learn that their partners have become pregnant.

In those kinds of situations some infants had to spend much too long in foster homes before final arrangements could be made for adoptions, than should have been the case. This amendment adopts the practical middle course of recognizing the rights of unmarried fathers, but only those unmarried fathers who have demonstrated an interest in the child they have fathered, and I support that practical approach to a very real problem. I believe the approach adopted, recognizes that in adoption proceedings, the interests of the child are paramount.

The third and final major provision of the Bill, makes it possible for the Department of Social Services to provide child care subsidies to the adopting parents of a child. The Minister goes on to explain, to a child with special needs. Actually, I

wasn't aware that this wasn't done automatically all along, but I certainly feel that the law should be clear in allowing the Government to make the same provisions for adoptees as for all other children.

In conclusion then, Mr. Speaker, I believe these amendments to the Province's adoptions legislation are good, I believe they are important and I have no hesitation in supporting the principle of the three major provisions of the Bill.

I am inclined to think that there should be further reforms to the adoptions law, and I will be eagerly awaiting the Bill incorporating all the overhaul of the Act. I am looking forward to the Legislative Review Committee analyzing that and holding public hearings on it.

Now I will address the practical aspects of implementing the Bill. One of the three provisions, namely, the liberalizing of the provision of adoptions information, requires more staff within the Department of Social Services for proper administration.

Mr. Efford: That is taken care of.

Ms Verge: The Minister is saying it is taken care of. The Minister's staff, who met with the Legislative Review Committee, told us that it will be possible for the Post-Adoptions Division to get extra social workers and staff within a matter of months. They gave us the impression that it wouldn't be until the fall that they would be able to get extra staff and that stands to reason, because, after all, the positions have to be created and classified, the Public Service Commission has to advertise and once the staff

are recruited and hired, they have to be trained. However, the officials told the Committee that, even with the existing staff, they will be able to make a dent in the long list of applications. They have identified about twenty-five or thirty of a very long list of approximately 1,000 as cases deserving priority attention.

So it was really on hearing that information that I decided it was more important for us to get on with passing these amendments and having them in force, than to delay the passage until November to allow the Review Committee to have public hearings.

The final clause of the Bill says that the provisions of it don't come into force until a date proclaimed by the Lieutenant-Governor in Council, or the Cabinet.

I would suggest to the Minister that to serve his interests and his Department's needs, it would be preferable to drop that clause so that the Bill will come into force immediately it receives Royal assent, which should be within the next couple of weeks.

From my own experience as a Minister, these delayed proclamation provisions often unnecessarily protract the coming into force of valuable law reform. So it would be my recommendation, after having heard from the officials of the Department of Social Services, that that final clause be dropped and that these amendments come into force as soon as the Lieutenant-Governor comes into this Chamber and gives Royal assent to the Bill.

With those concluding remarks, Mr.

Speaker, I will sit down and allow my colleague from St. John's East to contribute to the debate.

Mr. Speaker: The hon. the Member for St. John's East.

Ms Duff: Thank you, Mr. Speaker. I have no wish to go into this in any great detail. There are a couple of points. I think one of them certainly would be for clarification, which the Minister can address in his closing remarks. I have a particular interest in this as an adoptive parent, and I was part of the process, I guess you would call it, of consultation on the White Paper, through the Adoptive Parents' Association. I am very glad to hear that, in fact, this is not the end of it, but that this is an amendment which will then be part of an overhaul of The Adoptions Act, and I think that will be the appropriate time for further consultation with many people, including the Adoptive Parents' Association.

Basically, I fully support these amendments. I understand there is some urgency in bringing them forward as a separate amendment, and I have no problem with that.

In Section 2.22 it indicates an adopted person who is nineteen years of age may apply to the Minister for the release of information contained in his or her file, or for information about other parties to the adoption, and then that is qualified, that that does not include identity.

I ask the Minister if there is any provision - perhaps there is in the current Act - in the case of medical necessity, for medical information about the adoptive parents of a child to be released

to the adopted parents in cases of medical need. That is already (inaudible), because a child under 19, in fact, could have need to access medical information.

The other comment I would like to make is respecting Section 23. I think that is a very enlightened amendment. There are, I think, numerous cases. Particularly it happens with foster parents who become very attached to foster children, oftentimes children who are hard to adopt, and who wish to adopt them but do not have the financial circumstances to do so. So I would commend the Minister on this part of the legislation.

In dealing, again, with the - perhaps it is more appropriate in the second round of the full overhaul - the question of medical information, the situation may well have improved since the days when I was adopting a child, but the medical information that is currently available is very sketchy and I would hope that in future adoptions a better effort would be made to compile more accurate information on family history of a child to be adopted, particularly medical information, so that these files when they are accessed can be more useful.

And I would support the comments of my colleague from Humber East in the question of more staff in the whole adoptions area, particularly in adoptions counselling and the post-adoptions area. I feel, at the moment, unless it has improved in recent years, that there should be more guidance given to adopting parents on such things as how to deal appropriately with the question of disclosure to the child. You hear horror stories about how this is handled, which can cause

tremendous trauma later in life. There should be a longer period of follow-up, because there are things that parents adopting a child need to be aware of and, I think, along the lines need some guidance; there are some differences between having your own child and adopting a child.

With those few comments I would commend the Minister on these amendments and look forward to the full overhaul, which will come to us in the fall.

Mr. Speaker: The hon. the Minister of Social Services. If the Minister speaks now, he closes the debate.

Mr. Efford: Thank you, Mr. Speaker. Mr. Speaker, I never thought I would be able to sit in the House of Assembly and hear such kind words. The Member for St. John's East, I did not get overexcited about, because I knew she would do it. But the Member for Humber East, I am almost ready to go over, sit down, and have a chat with her.

An Hon. Member: Don't get carried away!

Mr. Efford: I said almost.

Dr. Kitchen: Don't get carried away. You know honey catches more flies than -

Mr. Efford: So, I have to be nice now. I have to leave my pickle book in the drawer for a while.

Just to touch on a couple of points, I do not know if the Member for Burin - Placentia West understood exactly. The Member for Humber East did, and the Member for St. John's East, and I want to talk to the Member for



Burin - Placentia West about that. Understand that this Bill very clearly states that no information can be given to anybody without the consent of all parties. So if the natural parents put information on file and they do not consent to give that information, then the adoptee, at the age of 19 or over, cannot access that. So there has to be an agreement. So understand that that was very clearly considered by the Department in consultation with the community at large.

The only other comment I want to make to the Member for Burin - Placentia West is that we did review all information given to the Department by all groups concerned - all information. It was not done at the meetings within the Department of Social Services, all the members in the community, the adoptive parents, individuals, adoptees, the association, the whole community at large had submitted written briefs to the Department over the years and all those were considered in bringing this paper forward.

There were a couple of concerns expressed by the Member for St. John's East and the Member for Humber East about more staff because there are a lot of applications presently on file, 1,000 applications. Once this information gets out in the community, then the requests are going to skyrocket. There is no question about that. We are ready to put in place some people to deal with this. We know and we expect that there is going to be a large number of applications to fill, so we know the urgency of getting this information passed through the House and getting the

people in place, the properly trained people.

There was a concern expressed about - I do not know if you would put it as training, but working with adoptive parents for a period of time, some counselling and some talking to the parents. You are quite right in that when you are adopting a child there are a lot of fears, moreso than when you have borne your own child. We understand that, we have talked it over in the Department, and we have taken some steps toward moving in that direction. I have talked to some parents myself over the last few years, especially this year, since becoming Minister, and they expressed some clear views they had when they adopted their children. So it is only natural that we put something in place.

I, and everybody in the Department of Social Services, are as equally concerned about medical information as the Member for St John's East. The new Bill, when it is overhauled completely, will address all the concerns about the medical information that should be kept on file, confidentially so, until it is needed by either the parents or by the children. We are aware of that and it will be addressed in full, hopefully in the fall sitting.

I say this to anybody in the community, and I say this to the Member for Burin - Placentia West, although he does not seem to be very interested now, that if at any time, whether it be groups, individuals, concerned parents, the children themselves, the adoptees, they want to come and sit down with officials of the Department, myself, or the Director of Child Welfare, we are



accessible at all times. The information will be publicized, now that this Bill is passed, that further legislation will be ongoing; all people will be notified in writing that they, at any time, can come and sit down. Of course the Legislative Review Committee is certainly a process which they can go through and debate any concerns they have. In the meantime, before it comes to that process, we will do that.

In conclusion, Mr. Speaker, I would like to pass along my thanks to the Review Committee and all the people concerned with getting this passed through the House of Assembly. Because it is not something that is important to the Minister of Social Services or the Department as much as it is important to the people, the children and the adoptive parents, who were quite concerned about what was going to happen in this present Bill. Now that the information has gone out to the Communities, and has passed through the House of Assembly, I would like to express my thanks to all the people. I am proud to be able to pass this along to the Department and to see that we have, once again, gone through the democratic system and have been very co-operative, on both sides of the House. Thank you, Mr. Speaker. I move second reading.

On motion, a Bill, "An Act To Amend The Adoption Of Children Act, 1972," read a second time, ordered referred to a Committee of the Whole House, on tomorrow.

Mr. Baker: Order 2.

On motion, that the House resolve itself into a Committee of the Whole to consider a Bill, "An Act To Amend The Mineral Act, 1976",

(Bill No. 7), Mr. Speaker left the Chair.

### Committee of the Whole

MR. CHAIRMAN: Order, please!

Bill No. 7.

The hon. the Minister of Mines and Energy.

Dr. Gibbons: Thank you, Mr. Chairman. I am pleased to speak to this Bill in Committee stage. We have already gone past second reading. At this time, I have a couple of amendments I would like to add to the Bill. There are copies available which can be distributed if desired.

I would like to move an amendment to Clause 2, page 6, by replacing that with a new Clause 2, which I am distributing, and I would like to add another clause immediately following Clause 14, which would be Clause 14.1.

An Hon. Member: What is it, two amendments?

Dr. Gibbons: There are two amendments. There is an amendment to Clause 2, which will be replaced by the one circulated, and there will be an amendment after Clause 14 - we are adding another amendment. The explanatory note will be on the distributed copy. My hon. critic for Mines has a copy he was given yesterday and is familiar with it.

In general, I would like to talk about these two amendments. The first one would provide that a holder of a licence, permit, lease or agreement respecting minerals obtained other than under The

Mineral Act, that is under any other statute, may apply during the currency of it for a licence, mining lease, or demise of surface rights under The Mineral Act, 1976, to extract minerals in, on or under the land covered by the original licence, permit, lease or agreement respecting minerals. That applies to the amendment to Clause 2.

The second part of the amendment, Clause 14.1, would provide that a holder of a licence, permit, lease or agreement respecting minerals obtained other than under The Mineral Act has no right to compensation where he or she obtains a new licence, permit, mining lease or demise of surface rights under The Mineral Act. This is where previous rights are now being continued by renewal under The Mineral Act rather than under the previous Act. Secondly, where the Government of the Province fails to renew the licence or the permit under the other Act so that no compensation could be claimed.

We are just letting the licences and leases die as they expire under the old legislation, and renewing these leases and licences, etc., under the new Mineral Act, which is the Act of general application. The requirement for these amendments came up afterwards, when it was shown to us that there were a couple of things we could not do there without going through the staking process. I will leave it at that, Mr. Chairman.

Mr. Chairman: The hon. the Member for Menihek.

Mr. A. Snow: Thank you, Mr. Chairman. I would first of all thank the hon. the Minister of

Mines and Energy for allowing me the time to look at the amendment he gave me yesterday.

This Act, it is my understanding, and maybe the Minister could elaborate a little more, but this particular amendment to this clause, he suggested one of the things in it is that there is no compensation for anybody who is presently operating a claim, and when it falls under this new Act the Government is not liable or the State is not liable for any compensation to the holder of the lease they are now operating under.

Of course, in my particular District, the District of Menihek, we have two mines operating there, two mines that operate and produce about three-quarters of the mineral wealth of this Province, about \$750 million coming out of western Labrador. We are seeing a change in this Act which could impact those particular operating mines. They are presently operating under - now this is my understanding, and maybe the Minister can elaborate, again a bit more - in the case of Iron Ore Company of Canada, The Labrador Mining and Exploration Act and, in the case of Wabush Mines, under the NALCO/Javelin Act. When the leases they are presently operating under expire, these Acts and these leases would die a natural death and roll over and be controlled under The Minerals Act.

Can he explain to me how any revenue that could be collected under the LM and E Act, or not collected under LM and E Act, or any revenues collected or not collected under the NALCO/Javelin Act, how this Act could affect that particular taxing authority, if you will? Because this does have a tremendous impact, a

tremendous economic impact on western Labrador residents, because local taxing authorities are pre-empted from taxing the mining properties per se by The NALCO/Javelin Act and The Labrador Mining and Exploration Act.

Generally speaking, I am in favour of this type of amendment if this does indeed permit a local taxing authority, such as a municipality or such as a school tax authority, to tax a mining operator to a greater degree, if you will, because this allows people operating or working in the mining industry in the particular area a greater benefit to be derived to those residents and those people living in the area. Those who are closest to the resource, if you will, will be able to derive a greater benefit. Because what is presently happening is that most of the revenues which are accruing to this Province in tax benefits are being removed from Western Labrador and shipped off to St. John's, and then we are seeing the politicians here in St. John's making rash decisions and removing benefits to the residents of Western Labrador. And this is fundamentally unfair.

I would thoroughly agree with this type of increased taxes in the sense that if the people who are closest to the resource and working in the resource can see a greater benefit accruing to them, such as a local revenue being generated more to the local town councils and to a local school tax authority. So I would like for the Minister to qualify that.

My understanding is that both these mining properties are operating under several leases and as they expire they would then fall under this new Minerals Act.

Of course, what we are seeing is that they may expire, I believe - he can give me the dates, but my understanding is that it could be probably over as long a period as eight or nine or ten years - the exploration I am talking about. Would the fact that a lease may not expire on the property preclude these local taxing authorities from getting any local revenues from these mining companies operating in Western Labrador? If the Minister could answer those few questions I have asked, I would greatly appreciate it and so would the people of Western Labrador and other residents in this Province.

Mr. Chairman: The hon. the Minister of Mines and Energy.

Dr. Gibbons: Mr. Chairman, taxes of general application in the mining industry are collected under The Mining And Mineral Rights Tax Act from the companies which operate the iron ore mines, and that will continue to be the case. I would like to state that this is not a taxation measure we are talking about here, this is a minerals and management thing, primarily. There may be some effect on, I guess, the exact proportions of tax collected under The Mining And Minerals Rights Tax Act.

The other clause the Member is really talking about is the one in The Labrador and Mining Exploration Act, which now puts a 40 per cent limit on the amount of revenue that can be given to a municipality from the mining operation. If a lease is now renewed under The Mineral Act, that 40 per cent limitation does not apply to anything relative to the lease that is under The Mineral Act, but it would continue

to apply to any of the leases that are still in place under The LM and E Act.

As he said, these leases expire over a time: the first one expires this summer for the Labrador mining property, others later than that, but all of the operating leases at IOC, as I understand it, expire by the summer of 1992. So, over the next two years, all these leases would now be renewed under The Mineral Act, and that 40 per cent factor would not apply in terms of the proportion that could be given to the Budget. That is my understanding of it.

The present clause, the 40 per cent clause, is in The LM and E Act, but there is nothing at all in The Mineral Act that limits or even talks about municipal taxation. But there is that clause under the LM and E Act. So over a two year period all the leases would be renewed under The Mineral Act - it is a two year period. All the present operating leases are going to expire by 1992, the first one starting in 1990. As long as a lease does continue under the LM and E Act, that clause would apply for municipalities and school taxes, or any local taxation, as I understand it. I think that answers the question.

Mr. Chairman: The hon. the Member for Menihek.

Mr. A. Snow: I am not sure he answered the question. He has me thoroughly confused.

Dr. Gibbons: It is easy enough.

Mr. A. Snow: It probably is easy enough, but it is a very complicated matter and it is one of a lot of concern to the

residents of Western Labrador. You talked about the 40 per cent. What The LM and E Act and The NALCO/Javelin Act do is protect the mining company from paying taxes on their mining property, even if they were included in a municipal boundary. Now a municipal boundary could be expanded under those Acts, but they would limit the amount of revenues they would have to pay in taxes to 40 per cent of all the revenue collected from all other sources, while the mining property itself is probably four to five times the value, in real estate property value system, possibly four to five times the value of the other property the municipality has within its boundaries now. So we are -

An Hon. Member: (Inaudible).

Mr. A. Snow: Pardon?

An Hon. Member: Is it the same under (inaudible) Act?

Mr. A. Snow: No. These companies are protected under the NALCO/JAVELIN Act and the LM and E Act. Now what happens is that this so-called 'protection' is out the window. That's my understanding. I was hoping the Minister could confirm that, and that indeed now, under this new Act, when the leases expire and they die their natural death, the new leases would come under The Minerals Act. Thus, a municipality could expand their boundaries and the mining company, the operator of those particular mines in Western Labrador, would not be precluded or limited to the 40 per cent clause that is presently in the LM and E Act and the NALCO/Javelin Act. That is what is of direct concern to the residents of Labrador and, I am

sure, a direct concern, also, of the mining operators there, because it may indeed have an impact upon their operating expenses if, indeed, there is some new form of taxation.

Mr. Chairman: The hon. the Minister of Mines and Energy.

Dr. Gibbons: The Member is correct, Mr. Chairman, that under The LM and E Act the 40 per cent limitation does apply, but under the new Act, under the Mineral Act, the 40 per cent limitation is not present. It is not present, so as the leases are renewed under The Mineral Act, that 40 per cent is not there.

An Hon. Member: (Inaudible).

Dr. Gibbons: That's not there, it's gone. It is not present in The Mineral Act, but it is there in The LM and E Act. So it will take two years for all the leases which are presently operating to be renewed under The Mineral Act, the first one starting this summer.

Mr. Chairman: The hon. the Member for Menihek.

Mr. A. Snow: Yes, and thank you again, Mr. Chairman. The leases when they expire would fall under this new Minerals Act, but if, indeed, the boundary were expanded to include the mining properties and they were able to tax them and part of - it is going to be two years before all these leases expire, so nothing could be done for a minimum of two years?

Dr. Gibbons: It could be done on a lease that expires now.

Mr. A. Snow: Only on the lease that expires now?

Dr. Gibbons: If the lease is expired, that could mean a portion of the area.

Mr. A. Snow: And this would also include, not just the mining property the operators are actually mining, but the mining property the plants and buildings are sitting upon, I would assume? This does not just include the actual ground, the mineral, this would include the actual property where a plant, a structure, a building, a warehouse, a (inaudible), or a garage, that type of structure could be taxed.

An Hon. Member: A paint shop.

Mr. A. Snow: And the carpenter shop, the hon. the Member for Burin - Placentia West I believe it is, who is quite familiar with our local paint shop and carpenter shop at the Iron Ore Company of Canada Carol Project.

Mr. Chairman: The hon. the Minister of Mines and Energy.

Dr. Gibbons: Yes, Mr. Chairman, when a lease is issued under The Mineral Act, it is The Mineral Act that applies and, therefore, the protection that was formerly afforded by The LM and E Act would no longer apply. The protection that was afforded by the LM and E Act for the old lease would no longer apply to anything on that lease area under the new Act.

Mr. Chairman: The hon. the Member for Menihek

Mr. A. Snow: I was asking specifically about the buildings which are situated on the property. Are these buildings situated on the property that we are talking about to lease or is the lease merely the ground that

is being mined, the mineral that is being mined? What I am attempting to do is clarify for the people of Western Labrador exactly what could be included, if indeed they did increase the size of their boundaries, that they would be able to get a revenue on the property that is situated on a leased piece of ground, if you want to call it that, that mineral. What they would want to tax is not so much the mineral that is in the ground but the buildings that are there upon the property.

Mr. Speaker: The hon. the Minister of Mines and Energy.

Dr. Gibbons: Mr. Chairman, as I understand it that would be the case. If the boundaries were expanded for the municipality and the Labrador Mining and Exploration Act no longer applies because the lease is now under the Mineral Act, then everything is included, including the property you are talking about. That is as I see it.

Mr. Simms: You cannot give us assurances, only as you understand it?

Mr. Chairman: The hon. the Member for Humber Valley.

Mr. Woodford: Mr. Chairman, then I suppose it would be logical to assume that the companies would be taxable under the Municipalities Act the same as anybody else?

Dr. Gibbons: Yes.

Mr. Woodford: So that would be covered up to the minimums and maximums on percentages and up to a maximum off in the Municipalities Act?

Dr. Gibbons: Yes.

Mr. Simms: Could the Minister stand and say, yes, so it would be reported in Hansard?

Mr. Chairman: The hon. the Minister of Mines and Energy.

Dr. Gibbons: Yes, that is my understanding because the protection afforded now under the Labrador Mining and Exploration Act would no longer apply, and then the Municipalities Act comes in.

A Bill, "An Act To Amend The Mineral Act, 1976." (Bill No. 7)

Motion, that the Committee report having passed the Bill with amendments, carried.

Mr. Chairman: The hon. the President of Treasury Board.

Mr. Baker: Thank you, Mr. Chairman.

I wonder if, by leave of the House, we could proceed with the Committee stages of Bills No. 47 and 52, the two Bills that we did second reading for earlier today?

Mr. Chairman: Does the Committee have leave of the House?

Mr. Simms: Mr. Chairman, we gave leave earlier to proceed on that.

Mr. Baker: The Committee stage of Bill 47, Mr. Chairman.

A Bill, "An Act To Amend The Commissioners For Oaths Act." (Bill No. 47).

Motion, that the Committee report having passed the Bill without amendments, carried.

Mr. Baker: Bill No. 52.

Mr. Chairman: The hon. the Opposition House Leader.

Mr. Simms: Mr. Chairman, I believe this legislation, of course, is a piece of legislation that has been sought for by a lot of people in the Province, particularly those who had adoptive parents, and there has been a lot of interest in it. I understand, in the Department of Social Services there are a number of people who have requests on hold. And I think there is a genuine desire on the part of all Members of the House to proceed with this kind of legislation. In fact, I believe our party in the last election, had committed to bringing in legislation similar to this anyway, so we have no problem with the Government doing it.

I think my friend from Burin - Placentia West did express his concerns with respect to the Bill during second reading debate, but I believe he had his concerns addressed, at least I understand he had his concerns addressed. And, of course, from everybody else, I think, on this side there is a considerable amount of support for the legislation because we intended ourselves to bring it in and we had indicated publicly during the election campaign, in fact, we wanted to move on this type of legislation.

An Hon. Member: (Inaudible).

Mr. Simms: Yes. So, I am just having a few words on the Bill in Committee because I am wondering does the Minister have an amendment. That is the only reason I am prolonging debate, other than to say that I support the legislation as well. So the

only reason I am prolonging debate is we are waiting for the Minister to come back to see if he has anything else to say to it or did he have an amendment to move or was there anything to come. I will leave the door open.

Mr. Chairman: The hon. the Minister for Social Services.

Mr. Efford: Mr. Speaker, I am sorry but I was detained. I was inside on the phone and I did not realize that this was coming up.

The amendment we agreed to; the Member for Burin - Placentia West, the Member for Humber East and myself, agreed to make some changes in section 22. Instead of the Minister 'may' authorize the release of information, the Minister 'shall'.

Mr. Chairman, I would like to move the amendment that we change the word from may to shall.

An Hon. Member: (Inaudible).

Mr. Efford: In 22 section 2 on page 8.

An Hon. Member: (Inaudible).

Mr. Efford: Clause 2, I am sorry. Clause 2 on page 8.

Mr. Chairman: Shall Clause 1 carry?

Carried.

The amendment to clause 2?

Carried.

The hon. the Opposition House Leader.

Mr. Simms: I would just like to ask a question. I am trying to

recollect - now maybe the clerks at the table can help me - there was some provision in the parliamentary procedure rules somewhere that the person introducing the Bill should not move the amendment. And generally speaking the House Leader used to always to that. Is that accurate? I am trying to recollect now to tell you the truth.

Mr. Chairman: The hon. the President of Treasury Board.

Mr. Baker: Yes, Mr. Chairman, that is exactly right. And as soon as the Member rose I remembered the same point. There is a provision that it has to be done by somebody else and agreed to by the House.

So I move that section 2 which pertains to Clause 22 of the Bill sub section 2, on disclosure, read the Minister 'shall' authorize rather than the Minister 'may' authorize, so the may be changed to shall. I so move, Mr. Chairman.

Mr. Chairman: The hon. the Opposition House Leader.

Mr. Simms: Mr. Chairman, I have no problem with the amendment or anything, if there is a technical reason for it then we better correct it because one day somebody might come back and say it is not proper. And on reflection we should direct the table, and we should direct Hansard to move or accurately reflect that the amendments on the last Bill, the Mineral Act that was moved by the Minister of Mines and Energy, was actually technically out of order. It should have been moved by the Government House Leader. So, we should just agree to make sure

that Hansard reflects that properly, so that there is no problem with that. That is a simple way of doing it, just by agreement and saying it now is it? That is the only reason I raised it, Mr. Chairman. Clause 2 is carried. Clause 2 is amended.

On motion, Clause 2, with amendment, through Clause 4 carried.

Motion, that the Committee report having passed the Bill with amendment, carried.

Mr. Baker: Motion 1, Bill 28.

Mr. Chairman: The hon. the Member for Grand Falls.

Mr. Simms: Mr. Chairman, may I ask the Government House Leader while I am on my feet, Order 26, Bill No. 43, that we had thought might be ready, and I understand it has been drafted, but it has not yet been printed, not up from the printers yet, is that it?

An Hon. Member: (Inaudible).

Mr. Simms: Pardon?

An Hon. Member: It is not up from the printers yet.

Mr. Simms: Does the Minister have a report on what the status is? Does he hope to get it up before the next fifteen minutes, for example? Could somebody check with the Printing Services people to see what stage it is at? Because I want to know how long we can talk on the payroll tax.

Mr. Chairman: The hon. the President of Treasury Board.

Mr. Baker: Mr. Chairman, we are expecting it momentarily, and



perhaps if we could start with the payroll tax, and at the point when the bill comes, 'by leave' we could then get the Committee to rise and report progress and then get on to that particular second reading.

Mr. Chairman: The hon. the Member for Grand Falls.

Mr. Simms: Okay, Mr. Chairman. We have indicated on numerous occasions, of course, in debate on this particular bill, Bill 28, "An Act To Impose A Tax On Employers For The Purpose Of Funding Health And Post-Secondary Education" that we have a lot of concerns with it. A lot of our concerns, of course, erupted during the initial stages of the announcement by the Minister of Finance during the Budget presentation itself. Subsequent to that, Members will recall, on frequent occasions in the Legislature, in fact, I think it was for a solid three or four weeks we peppered the Minister of Finance with numerous questions, and I think even he would have to admit that he was not able to respond directly to our questions at the time we asked them. I think he would even have to, as grudgingly as he might, admit that he was not able to answer those questions. And I think I understand why, because I believe the decision to implement and impose the payroll tax was taken by Cabinet at the very late stages of the budgetary process. And unfortunately I do not believe the officials in the Minister's Department, which is very surprising by the way, because this particular payroll tax proposal has often been passed up through the system for consideration in the budgetary process. We saw it several times. I know I saw it myself

several times when I was in Cabinet as a proposal by officials and, of course, it was always rejected by us. We did not implement it.

So perhaps, because the tax had been rejected so frequently by the previous Administration, perhaps the officials were not prepared for it and did not expect the Cabinet to approve it, because it is obvious they did not have much back up information to help the Minister when he stood in his place in Question Period for three solid weeks trying bravely to defend the decision and to try and answer the questions, which he was not able to do. And as I say, I think even he will have to admit it, and if he does I am sure it would be grudgingly. I do not expect him to admit it, but facts are facts and they are pretty clear, and all political observers, media and everybody else, I think, agreed that the Minister was not able to provide the answers.

And I trust that the Minister of Finance had, subsequent to that, hauled his officials in for six o'clock in the morning lectures, and told them never ever, to put him in that position again. But worse than that it took them another three or four weeks to even come up with some of the answers that he finally announced. The Minister had one answer only, and about the only one he could give. I will make a statement on this in due course. I will take it as notice. I will make a statement on this in due course. A scattered question he answered, but for the most part he did not answer them.

Now, of course, we are faced with the situation that because this

has become so obvious, the lack of preparation has become so obvious, that one has to ask the question how prudent was this decision to impose the payroll tax? Because it is pretty obvious the Cabinet was not aware of all the repercussions, it only became evident after all the questions were asked from time to time in the House. We were not able to tell who was going to be taxed. It took weeks and weeks to finally tell who was going to be taxed. Now we find that Government agencies, school boards, and hospital boards have been used in the calculation to get \$15 million this year.

An Hon. Member: (Inaudible) too much?

Mr. Simms: Well, it had to be, but why is he taxing them? Why is he taxing them if it is not included in your estimates? I think the Minister means to say yes.

An Hon. Member: (Inaudible).

Mr. Simms: Yes, but when the net amount of \$15 million was estimated, presumably, the tax on Government agencies was included in the estimate, otherwise, why did you tax them?

Dr. Kitchen: There has been no change.

Mr. Simms: Yes, I understand that, because you are going to take out of one pocket and put it in the other pocket, and we will see that in the Supplementary Supply Bill, I suppose, whenever it comes up today.

So, my question is: Why did you tax them? If that's the case, why did you bother to tax them?

An Hon. Member: Free Trade Agreement.

Mr. Simms: Free Trade Agreement, sure! Well, listen, you have to blame it on the Free Trade Agreement, the previous seventeen years P.C. Administration and the Federal Government; you get through all that, now he can tell us. Why are you taxing the Government agencies? He will answer when the time comes. Okay. I would be interested in hearing the answer, because it makes one ask the question: I mean, why did you go through the misery for three or four weeks here, of having to hold off your answer because you didn't quite know if they were going to be taxed. It took two or three weeks to get the answers from your officials, because they didn't know, and then, in the end, why did you bother to impose taxation on the school boards and hospital boards and those kinds of Government agencies? I think it is a legitimate question, and the Minister will be able to explain why, and no doubt, attack the Federal Government as he does it. But it is a legitimate question I wanted to ask, because I, quite frankly, had a lot of hard times during that three or four week period when we were asking questions, trying to understand exactly what the situation is.

Now, we are going to see the Government will charge taxes to the school boards and the hospitals on the one hand, and they will bring in a Supplementary Supply Bill today or tomorrow, looking for the money to pay the school boards and the hospitals, so they can pay the Government the revenue. So, it must be some kind of a wizardly move, some kind of a trick, I suppose, to get back at

the Federal Government.

So, as I was saying, it makes one wonder why they went through that agony at all.

The other argument that has been made, I think, quite a legitimate one, as a result of this taxation, is the effect on consumers. I guess one can easily slough off that kind of an argument by saying, No, it is not going to have a major effect on consumers, and so on. But I think there are legitimate concerns raised when people say, of course, if Sobey's has to pay payroll tax, whatever it might be, as a result of this tax implementation, I think there is a fairly good chance that Sobey's, even though they can charge some of it off to operation costs and all the rest of it, in the tax process - I think there is a fairly good perception among people; if it is not accurate, then the Minister can get up and categorically say no, they will not add additional pricing to their goods, so that the consumers, then, ultimately end up paying for it. If he knows that for a fact, he should say it, but I don't think he is going to be able to say that.

We understand from Newfoundland Light and Power, from public statements, I believe, they made, that they will seek approval from the Public Utilities Board to get back that additional cost to them of the payroll tax. Where does that go? That ultimately goes to the consumer.

An Hon. Member: (Inaudible).

Mr. Simms: Yes. And there are a number of other examples which I am not going to go into in great detail. But, I mean, the point

has to be made. You cannot say, I don't think, in all fairness, that there is no way the consumers will be affected by this tax, because, first of all, one doesn't know for sure, with any absolute certainty, but I think it is a fairly good guess that there will be some situations where, undoubtedly, the employer will pass along that tax cost to the consumer.

Thirdly, the concern I had - and I don't know if the Minister has statistics to show, I think he does have the number of companies that might be taxed, whatever it was, 1,000, 1,200, I believe is the number I heard one time, somewhere in that area. How many of those businesses might be in the category of just hovering around the \$300,000 payroll figure? Would there be many of those for example? You remember the concern that was expressed on the odd occasion, that if you had a payroll of \$350,000, to get away from having to pay the tax, the simple thing for you to do might be to lay off a couple of employees so you come down to \$295,000 and, therefore, you are not qualified. I have heard that concern expressed and, of course, it would be a concern of mine if I knew that there were a large number of companies in that category, if the Minister understands what I am saying.

If he has the list or his employees or staff have the list, they should be able to say to the Minister, no, there are only about three in that category so it would not have a major effect. But if they were to say to him there are at least twenty-five, thirty, or forty businesses in that category, well then it could be reason for concern because there could be a possibility that employers would

lay off a couple of employees so as to not have to be in a position to pay the payroll tax. Those are just two or three concerns that I raise again, which have been raised from time to time, but I would be interested in hearing a response either now, after, or whenever. I know my colleague the Member for Kilbride wants to have a few words but the Minister perhaps could respond.

Mr. Chairman: The hon. the Minister of Finance.

Dr. Kitchen: Thank you, Mr. Chairman.

There are a number of questions that have been raised. I would like to answer a couple of the points that have been made here now. The reason that we had the tax: the tax is a tax of general application, everybody, everything in the Province is taxable, all payrolls are taxable, except diplomats, the property of foreign Governments and the status Indians on reserves, everything else is taxable. We have set a zero rate for three industries, primary and secondary industries in forestry, agriculture, and fishing. But they are taxable except that the rate this year is zero. Now in order to make it collectable everything has to be taxable.

One of the purposes in the legislation was to capture as much tax as possible, and the Federal Government normally pays these payroll taxes to other Provinces, we have to tax, but you have to make it fair, so that means the Provincial (inaudible) as well, we just cannot tax one form or one level of Government. So all hands had to be taxed, just as, I might add Workers Compensation falls on all these organizations as well,

and just as the employer's share of unemployment insurance falls on all these organizations. So the payroll tax is just another one of these taxes that are paid universally by all organizations in the Province and elsewhere. So it is a tax of general application. That is why it has to be. I would like to defer my remarks on the mechanisms until later, perhaps if Supplementary Supply comes in I would like to discuss it to that point.

Now, the affect on consumers; undoubtedly there will be some effect on consumers but it will not be as large as people may imagine because first of all, the tax that an employer pays can be substracted from income so that income tax is not payable. So if a company pays 45 per cent income tax and they have made a profit this year, you take off the payroll tax and that leaves 55 per cent remaining if it is a large company. So a little bit over half is left for the company to find funds for. Now, will they pass it on to the consumer? Well, will they raise their prices? It depends to some extent on the competition. It also depends upon the state of their finances. They may be able to fight the competition by taking their tax out of their retained earnings for a while. So we are not absolutely certain that it gets passed on. The same remark can be made with respect to Newfoundland Light and Power. They too are a taxable Corporation. Their profits are in the category of 55 per cent of something they can fund. Now they are not a competitive organization. Although, they are in a sense. There are other sources of heat as well. So maybe not as much in that particular case, but in any event it is not

something that is wholly passed on to consumers. We would be wrong to suggest that it is a direct relationship between the amount of the tax and the rise in consumer prices.

The other point that the Opposition House Leader mentioned is those on the edge of the \$300,000. Now a company with a payroll of \$300,000, and this is why I think he is really exaggerating and a bit out to lunch on this one, pays no tax. Now he says what about those on the edge? All right, let us take someone on the edge, a payroll of \$305,000, they pay tax on \$5,000, which at 1.5 per cent is \$75, \$75 dollars on a payroll of \$305,000 is not going to have any affect about laying off employees or anything of that nature. So that point about the people on the edge is not really a major one. But it may be a point, some people who have a large payroll, who have the tax will meet it one way or another.

What I would like to tell you is the tax in other provinces: because our payroll tax is relatively light. In Ontario, for example - just let me give you an idea - everything is taxable in Ontario, all payrolls are taxable, there is no exemption except for those status indians and other things I mentioned before. Less than \$200,000 the rate is .98 per cent, that is, from \$200,000 to \$230,000 there is 1.1. per cent; and it is a graduated scale. So payrolls of \$290,000 to \$320,000 are 1.465 per cent, roughly 1.5 per cent. And as they go above that it rises, so that greater than \$400,000 is 1.95 per cent, and all taxes in Ontario above \$400,000 are 1.95 per cent. So the Ontario tax is, generally

speaking, cut in for all companies, and it is a graduated scale and it tops off at 1.95 per cent.

In Quebec everybody pays 3.45 per cent, that is including a 15 per cent surtax.

An Hon. Member: (Inaudible).

Dr. Kitchen: 3.45 per cent on payrolls. And in Manitoba -

An Hon. Member: All payrolls?

Dr. Kitchen: All payrolls. No exemptions.

In Manitoba there is no tax on any payrolls less than \$600,000. From \$600,000 to \$1.2 million, it is 4.5 per cent; and above 1.2 million, it is cut in two, 2.25 per cent.

And these are the three other provinces which presently levy a payroll tax.

Now there are a number of other questions here as well. People ask me about the mechanics of the tax. As soon as the Bill passes, should the Bill pass, immediately the Department of Finance will be sending out to all potential companies, information. They have a sheet which they want the companies to fill out with information, a small amount of information. We estimate that there will be about twenty odd thousand groups like that, who will fill in this sheet. And of that most of them will probably not be taxable, we are estimating that perhaps there will be as many as 2,000 taxpayers, probably fewer than that. The House Leader for the Opposition said about 1,200, perhaps, no more than 2,000 will be actually taxpayers under the



present regulations. The tax is proposed to kick in on August 1, and people will have until September 15 to file. So we are expecting about 2,000 tax returns on the 15 September.

Now there is a clause in there so people will not have to file regularly. The normal person who does not pay tax will probably file just annually rather than monthly. The rest will pay monthly. And for this current year the exemption is \$125,000. So does a taxpayer pay for August?

Supposing their payroll were \$40,000 a month, then there is an exemption for this August to December for \$125,000, so what we do is subtract the \$40,000 payroll from the \$125,000, and you are still within your exemption, so there is no tax to be paid for that company in August. Now, in September there is another \$40,000 taken from the \$125,000, so there is no tax in September. And, for a \$40,000 payroll per month there will be no tax in October. They will file a return, subtract it from their \$125,000 exemption, and then it kicks in for that particular company the next time. That is how it works. The same thing is true, again, in January, where they started in January. You start with \$300,000, you subtract your payroll for January, and if it is greater than \$300,000 you pay a tax, if it is less you pay none, and continue on with the exemption balance until the next period. That is the mechanics by which it works.

I think the Member for Grand Bank raised a question about the 10 per cent penalty which is contained in the Act. The appropriate sections, if anyone is interested, is to look at Sections 14, 33, and

35. In Section 34 what he was concerned about was the 10 per cent penalty. Somebody was concerned that the Minister may impose a penalty of \$100 a day. Well, that particular thing is a 'may', it is not a 'shall', it is optional, discretionary for the Minister to do that, and normally that would not be done.

Section 14 (2) says that every employer who fails to pay the tax payable may be liable to a penalty of 10 per cent of the amount. This is bothering the Member for Grand Bank. I believe it was you who raised that point. The effective word here is 'may be liable'. It is a discretionary thing that may be put on. Normally what happens here is if anyone made a little error that would not be imposed. It is the same thing as in the retail sales tax, I might say, the same point.

An Hon. Member: What is the per cent?

Dr. Kitchen: The same, 10 per cent, the general per cent that we use. It is not something we nail them with every time. It is for flagrant abuse of the system. There is another section I would like to refer to as well here, it is Section 33, and this deals with tax evasion. These are the people, if there are any, who might be convicted of evading the taxes deliberately, and so on, in which case there could be as much as a 50 per cent penalty there, and that, too, is rarely used.

The Member for St. John's East asked the question: what do we mean by a natural person? The only answer I can give to that is a human being. When you talk about taxation a person could mean a corporation, a partnership, or

something like that, but an actual person means a human being.

An Hon. Member: A real person.

Dr. Kitchen: A real human being. Somebody was very concerned about municipalities. I might point out two points about municipalities. First, payrolls under \$300,000 are not subject to the tax at the moment. When you look at all the payrolls of the municipalities, we find that there are about thirty who are eligible to pay tax, but this present year, because municipalities had their budgets decided this year, there will be no payroll tax until January 1, 1991.

This year municipalities will have to file this initial information return that I mentioned, but there will be no tax for them this year because their budgets are fixed. There is nothing they can do about paying a tax because they have no budget for it, so that will kick in in January, and we expect that there will be no more than thirty municipalities affected.

There is another point I would like to raise and that is the connection. Someone doubted the connection between this tax and health and post-secondary education, and that is what I would like to address now. The health and post-secondary education tax was imposed because the Federal Government withdrew their funding or cut back on their projected funding for health and post-secondary education under the established programs financing, to the tune of about \$20 million. And so we had to recover that revenue.

And it is only fair that the people or persons, human or

otherwise, who benefit from health and post-secondary education, should contribute towards the cost. And I think that we can make a very strong case that employers benefit from a good health system because their employees can continue to work and work longer and so on. Not longer hours, but longer into their careers and they are less off for sick time and so on. So, employers do benefit from a good hospital/health care system. If we did not have the health care system in Newfoundland and people had to pay for it, employers undoubtedly would be paying part of the cost of the health system through payroll deductions that they would come in and pay at least half.

So, it is important, I think, to realize that there is a connection between employers and health care and similarly for education. Post-secondary education; employer organizations are forever coming to Government and saying what we need is a better post-secondary system. The people who come to our system cannot read very well, they cannot write very well, they cannot do this and they cannot do that. We want them better educated. And so it is only fair - and they need well educated people, and so consequently it is only fair that they help pay some of the proportions.

So, it is perfectly logical, I think, to connect the health and post-secondary payroll tax, if you would like to call it, because of the fact that the Federal Government is cutting back on health and post-secondary education and we having to compensate for that in order to fund health and post-secondary education, which is where a large

part of our budget this year is gone - the increases have gone - that we should levy this tax on a group who are benefiting from it.

And in other countries, as the Member for Bellevue in his speech in the Budget mentioned at length, in other countries particularly in Europe, this is a direct tax on employers and they pay much heavier for health and post-secondary education than they do here.

So, Mr. Chairman, we make no apologies for this tax except the fact that we are very sorry we had to raise the tax. We were faced with the situation where we had to raise a tax and I sincerely believe that this is the best tax that we could have brought in or the least - what is the best - not so much the best tax but the least troublesome tax that we could have possibly brought in at this time. Thank you, Mr. Chairman.

Mr. Chairman: The hon. the Member for Kilbride.

Mr. R. Aylward: Thank you very much, Mr. Chairman. I am pleased that the Minister is participating in this debate and he has certainly done his best to provide the answers to the questions that we are asking. And, Mr. Chairman, I am also delighted that he has apologized again for another issue - for bringing in a tax - and I know he does not like to bring in a tax any more than any of the rest of us. No politician likes to bring in a tax, but you do have to have money if you have to spend it.

But, Mr. Chairman, I made a few remarks yesterday on what I think about the payroll tax and I still do not think it is a fair tax

because some people will not be paying it and some people will.

But I am going to leave that for a minute now. I just want to say a few words to the President of Council, I guess, or the Government House Leader. It is about this Bill, but not specifically as to the details of the Bill.

One thing that I see, and I have congratulated the Government before and I congratulate the Government House Leader for bringing in the Legislative Review Committees. It is a good system. I have no doubt about that, that it is a good system. I also realize that it is a new system. We have bugs to work out, we have problems to work out before it becomes maybe a perfect system, if it every will. But the Legislative Review System, and I want to say it again, is a good system in this House of Assembly and it allows opposition Members, I suppose, particularly, and Government backbenchers, to become more familiar with the legislation before it comes in this House so that we can make more considerate decisions on things that we are passing or voting for or against in this House.

But, Mr. Chairman, I did mention before that we had several Bills come through this House that were on the Order Paper and called to be debated in this House before the Legislative Review Committee had an opportunity to review these pieces of legislation.

Again, this legislation that we are debating now, the health and post-secondary education tax, or the payroll tax as it is referred to, was to come to our Committee on Thursday morning or evening, I



am not sure, of this week. And the Chairman of the Committee did everything in his power to get this on his agenda or on our agenda as much as he could, but unfortunately because of scheduling in the House, we were not able to discuss in our Committee once again this payroll tax Bill.

I mean the Minister did get a hard time on this payroll tax for the first two or three weeks. He had to answer questions that obviously the staff did not have the answers prepared for him. It was probably rough going and he had to keep the Government line that I will make a statement in the future, obviously giving his staff some time to prepare the answers to the questions that we had raised.

Mr. Chairman, I would have really liked to get these staff people before our Legislative Review Committee, and I know the Chairman would have like to have gotten them before the Legislative Review Committee, and probably we might have given them a bit of a hard time, which the Minister should not have taken when he brought in this tax in the first place.

I would have liked to have gotten some detail on what the staff, when they were making their consideration of bringing in or recommending the bringing in of this tax, what considerations they made. I would have liked to have gotten some details on the breakdown of who will pay the tax, what companies will be involved, how many of the companies - and I noticed the Minister did say today that it would probably be about 2,000 companies eligible to pay this tax and I would like to see the list, the sizes of these companies, what range it is, have

we got two or three with big salary bills who will be paying a lot of this tax? Then we probably have 1,500 or 1,800 very small companies or medium sized companies that maybe it will affect their business. I am not sure that it will.

The Minister mentioned that the consumer will be affected, maybe, but the competition might control any price increases, but that competition might also, if they are competing with people who are not paying this tax, we would say, from Nova Scotia, that little bit of balance or unbalance might be enough to put the out of Province competition ahead of them, and they might not only lose a couple of jobs if they are on the margin, but they might lose their whole company, so I think that the staff of his Department should -

An Hon. Member: (Inaudible).

Mr. R. Aylward: Maybe they did. I don't know. That's why I would have liked to have gotten them before our Legislative Review Committee, to see if they did give these considerations to companies in our Province who would be competing with outside interests or outside companies. I know Farm Products, the Minister said is not included, I realize that now. But a company like Farm Products, I am familiar with their operation, but what about anyone similar to that? Farm Products itself competes with mainland chicken producers obviously. And if that was a private company and it was taxed it would put them at another little bit of unfair advantage, although their main competition is Quebec, and I see that Quebec has a far greater tax than Newfoundland does right now.

But I guess the main competition that we get in this Province comes from companies in the Maritime area particularly in Nova Scotia. And to upset the balance of competition with the tax on Newfoundland companies that are not taxed in Nova Scotia, might be enough to put some of these marginal companies over the edge, and I would like to have gotten the staff of the Department of Finance before our Committee and ask them these detailed questions. I do not expect the Minister to have all these answers at his fingertips. I was a Minister, policies yes, I understood them and could explain them, but some of the details behind the policies obviously you had to go and look for the answers. And that is why I say the Legislative Review Committee's system is a good system because we as an Opposition now have an opportunity to discuss with the staff the details and the reasons why they make recommendations that they have. It is interesting to see that Ontario, I guess the largest employer, the most affluent province in this country, does have a tax slightly lower than ours, slightly lower than the one they have in Newfoundland for the companies that would be on this borderline. It is not much difference. It is almost 1.5, but it is a little bit different than the Newfoundland tax right now, and maybe the reason for that being a little bit lower is because of the balance they were trying to create when they brought in this tax.

Mr. Chairman, I want to say once again that we should continue with the Legislative Review system, but the Government House Leader, or the Government, or the Departments, or the legislative

people who make up the Bills, would have to get the information to our committees a bit earlier, so that we can have an opportunity to hold the public meetings, which is the purpose of it, obviously, but, from a selfish point of view, to be able to drill, or ask questions of staff people, who can give us some details in order that we may understand the legislation a little better when we have to decide in this House which way we are going to vote on the legislation.

Mr. Chairman, that is pretty well all I had to say. Now, I would still like to know the breakdown of the companies, and a general list of what types of companies will be paying this tax.

I am sure another of my colleagues would like to carry on for two or three minutes on the payroll tax before we pass this Bill, Mr. Chairman.

Mr. Chairman: The hon. the Member for Burin - Placentia West.

Mr. Tobin: Mr. Chairman, thank you very much.

I want to have a few words about this Bill, as it relates to the payroll tax, and the reason why it is before the House of Assembly.

I certainly missed the debate yesterday, but I noticed the news media carried the Minister of Health trying to defend this payroll tax.

An Hon. Member: (Inaudible).

Mr. Tobin: The Premier was up in Meech Lake, not me.

Some Hon. Members: Oh, oh!

Mr. Tobin: Now, Mr. Chairman, this is serious business, this payroll tax, and I don't want the Member for St. John's South interrupting me. You know, he has to go back and explain to his constituents why they are going to be paying tax on their groceries, and why they are going to be paying tax on their clothing, children's clothing and everything else, the hospitals and other things.

An Hon. Member: (Inaudible).

Mr. Tobin: Yes, Mr. Chairman, the Member for Exploits: you should go talk to the teachers of this Province. The teachers of this Province, your colleagues in the NTA, when they were at a public meeting the other day down in Marystown, wondering what happened to you - silent, silent, Mr. Chairman - and now he is in here yapping about the GST. You should not forget the people who - no, Mr. Speaker, I won't say it. You should not forget the people who put you in this House. He wants to talk about the GST.

The reason why there is a payroll tax in this House is because the Minister of Finance had plans to bring in your own GST and the Member for Mount Pearl found out about it, called a press conference, and what happened? They had to scuttle it because there was a Budget leak, so the Minister of Finance came up with this payroll tax. And when it was brought before this House, we spent days and weeks trying to get the Minister of Finance to explain what the payroll tax was about.

The Minister of Finance couldn't explain it. The hospitals were wondering about the payroll tax, the school boards were wondering

about the payroll tax, the School Tax Authorities were wondering about the payroll tax, and the Minister, Mr. Chairman, was wondering about the payroll tax. And the Member for Exploits talks about the GST. You go out and explain to your constituents why they will have to pay more money for their groceries as a result of-

An Hon. Member: (Inaudible).

Mr. Warren: Yes, for their groceries! This payroll tax is a tax on groceries! Don't forget that. Sobey's and Dominion and the Co-Op and everybody else who has payrolls, that will be passed on to the consumer. They will be paying more tax on their light bills, they will be paying more for their phone bills, they will be paying more for their heating bills. Mr. Chairman, if you take your child out now to a fast food place, you will end up paying more for a Big Mac.

Mr. Matthews: And a few worms and go trouting now, m'boy.

Mr. Warren: Yes, Mr. Chairman, I wouldn't doubt it. I wouldn't doubt it!

Mr. Chairman: Order, please!

Mr. Matthews: If you want a few worms to go trouting now, you have to pay tax on them.

Mr. Warren: Mr. Chairman, that's what the payroll tax means in this Province, that everyone here in this Province will be paying more for everything: for food, for clothing, for lights, for heat, for groceries.

Mr. Woodford: For Christmas trees.

Mr. Tobin: No, Mr. Chairman, I

will not go that far. My colleague for Humber Valley wants to include some other commodities. I am not sure they will be affected, but my colleague

Mr. Woodford: They will.

Mr. Tobin: They will be?

Mr. Woodford: Yes.

Mr. Tobin: Sure they will.

Mr. Woodford: (Inaudible) a farm, a tree farm.

An Hon. Member: Christmas trees?

Mr. Tobin: That is right. Everything.

And, Mr. Chairman, if you go to some of the department stores to pick up Christmas gifts, they will cost more. If you go to some of the major chain stores in this Province which have a payroll in excess of \$300,000 and you want to pick up lights for your Christmas tree, or decorations, this Government has imposed a tax on that. That is the long and the short of it. That is what is happening in this Province. They have taxed very deceitfully, Mr. Chairman, everything it is possible to tax in this Province.

Some Hon. Members: Oh, oh!

Mr. Chairman: Order, please!

Mr. Tobin: You have councils in this Province which the Minister of Municipal Affairs has basically abandoned, Mr. Chairman, councils in this Province which are going to be taxed. As a matter of fact, I have letters -

Mr. Grimes: He is right.

Mr. Matthews: Listen! The Member for Exploits said he is right. Look, Glenn, the Member for Exploits says he is right doing away with the councils.

Mr. Tobin: That is right. Oh, yes, they are afraid of the councils, and so you should be. And there is a certain councillor in your District you had better watch out for, too.

An Hon. Member: Now you got it, buddy!

Mr. Tobin: That is what this Government is doing. They have taxed the Christmas tree lights that go on your Christmas trees this year.

An Hon. Member: (Inaudible) Christmas trees.

Mr. Tobin: Yes, you have. Yes, Mr. Chairman, the decorations that you put in your house this Christmas are taxed by this Government.

An Hon. Member: But not the trees.

Mr. Tobin: Well, it depends. If you buy an artificial Christmas tree in some of these department stores which have a payroll over \$300,000, you will pay taxes on your Christmas trees. That is what is happening. The scrooge that stole Christmas, Mr. Chairman, that is what the Minister of Finance is.

Some Hon. Members: The Grinch.

Mr. Tobin: Yes, that is what is happening here. How could a Minister of Finance and a Government stand in this House realizing that through their actions they have caused a tax on Christmas trees, Christmas

decorations, and everything else, Mr. Chairman? That is what is going on here. The President of the Treasury Board should hang his head in shame for spoiling Christmas.

An Hon. Member: Even the pickles are taxed.

Mr. Tobin: That is right.

Some Hon. Members: Oh, oh!

Mr. Chairman: Order, please!

Mr. Tobin: Yes, they will be putting a tax on pickles, because everything you buy in the grocery stores now is taxable.

An Hon. Member: Adjourn the debate.

Mr. Tobin: Yes, okay. I will adjourn the debate, Mr. Chairman, and I look forward to getting back to this tomorrow.

Mr. Matthews: A good speech.

Some Hon. Members: Hear, hear!

Mr. Chairman: It has been moved and seconded that the Committee rise and report progress.

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

Mr. Speaker: The hon. the Member for Trinity - Bay de Verde.

Mr. Chairman: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report having passed Bills Nos. 7 and 52 with some amendments, and Bill No. 47 without amendments.

On motion, report received and adopted, amendments ordered read a first and second time now, Bills ordered read a third time, on tomorrow.

On motion, amendments read a first and second time.

Mr. Speaker: The hon. the Government House Leader.

Mr. Baker: Thank you, Mr. Speaker. Tomorrow I plan to start with Bill No. 43, having to do with the Atlantic Accord and Hibernia, and then, hopefully by leave, proceed with Bills having to do with Supplementary Supply and the special designation for a site, as well as continuing, Mr. Speaker, with the payroll tax.

Mr. Speaker: The hon. the Opposition House Leader.

Mr. Simms: I will just make a comment, Mr. Speaker. I did not have chance to get back to the Government House Leader, but my suggestion would be Bill 43 first, which is the Atlantic Accord one, if it is printed, hopefully. Depending on how much progress we make on that, then the next order, I think now, in retrospect, we should go to Bill 56. That one also is not printed. This Labour Relations Act amendment, do that second, then the payroll tax third. I just checked with the Clerk, because Supplementary Supply has something to do with the payroll tax and we may have to do that fourth. If we could agree on that order, and move in that order assuming we make progress, fine. We will all know where we are coming from.

Mr. Speaker: The hon. the Government House Leader.

Mr. Baker: Yes, Mr. Speaker, there is a constraint in the order I think we have to adjust for. I thank the Opposition House Leader for reminding me.

Mr. Speaker, I move that this House at its rising do adjourn until 2:00 p.m. tomorrow, and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Wednesday, at 2:00 p.m.