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Speaker: Honourable Thomas Lush

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The House met at 2:00 p.m.

Mr. Speaker (Lush): Order, please!

The hon. the Member for Green Bay.

Mr. Hewlett: Mr. Speaker, I am standing on what I believe is a point of privilege, and with your indulgence I would like to make a few remarks.

On Tuesday last, we had a debate in this House on a petition presented by the hon. the Member for Humber East with regard to cutbacks in certain services to single mothers.

The Minister of Social Services joined in that debate and during his remarks indicated that I had a practice of sending copies of Hansard to my local newspaper, which indeed is correct. The Minister went on in his remarks in that regard to say the following, and this is from page R23 in the Hansard of Tuesday. The Minister said and I quote: "I will explain. In fact the Member for Springdale sent a copy of Hansard out to one of the reporters in Western Newfoundland. That individual called me. When I explained the decision we had made and what it was doing, the reporter - who is, by the way, a single parent herself - said to me on the phone, 'What are they talking about?' And I will quote: 'What in the name of goodness is the Member talking about? What is the Member for Humber East talking about?'"

That is what the Minister of Social Services said in his remarks to the petition. So, when I got Tuesday's Hansard yesterday afternoon, immediately following Question Period I went down to my office and I faxed out a copy of

the Minister's remarks to the newspaper in Springdale, The Nor'Wester, and my cover sheet on the fax said the following personal comment: 'I think The Nor'Wester got an honourable mention on page R23,' and I signed it. I sent out that, and I will table this.

Then I got a fax back yesterday evening, when I came down from the House a little after 5 o'clock, from The Nor'Wester, from the editor: "Alvin: Received your fax! Regarding the 'honourable mention' on page 23," with honourable mention in quotes, "gently inform -

Some Hon. Members: Oh, oh!

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

Mr. Hewlett: - "J. Efford that: number one, I am not a single parent (I am single, not that he asked); number two, Springdale is in Central Newfoundland; number three -

Some Hon. Members: Oh, oh!

Mr. Hewlett: Listen!

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

Mr. Hewlett: "- my alleged quote is actually his" - underlined twice. "So much for giving me the honourable mention, eh? Signed Tera", that being Tera Camus, Editor of The Nor'Wester, Robinson Blackmore Paper in Springdale.

So, Mr. Speaker, anybody listening to the hon. Minister's remarks in the petition debate and having any knowledge of idiomatic English whatsoever, would know that the Minister conveyed the impression

to this hon. House that he had had an interview with the reporter, which I have checked. He did have an interview with that reporter, and he basically gave the impression to this hon. House that the reporter, herself being a single parent, after he had talked to her came around to his point of view and that the reporter shared the point of view that the hon. Member for Humber East did not know what she was talking about.

I think that is deliberately putting a misleading impression before this House. I cannot believe that a Minister -

Mr. Speaker: Order, please!

Mr. Hewlett: - of the Crown would do that on purpose.

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

In a point of privilege a member has to state just what the point of privilege was that was breached, and at this point in time, had it affected his duties as a member. The member has not made that point at this particular point in time, other than to say that the Minister misled the House. I have ruled on many occasions that to mislead the House is not a point of privilege. If the hon. Member wants to indicate what point of privilege was breached, I will entertain that for a minute or so.

Mr. Hewlett: Thank you, Mr. Speaker. I withdraw the word. I did follow up after I said the comment, I cannot imagine that an hon. Minister would deliberately mislead the House, would make up a set of circumstances and generate a false impression on purpose.

But, Mr. Speaker, as I understand it, the very reason you stopped me from saying that he deliberately misled the House is based on the theory of our Parliament, that we are all assumed to be talking the truth all the time, and therefore we are all automatically called hon. Members. Mr. Speaker, I regret the hon. Minister is not in his place today. Maybe he can explain the situation. But I am at a loss as to why he said what he said. It was misleading. If it was not deliberately misleading, fine, I will accept the hon. Minister's word. But I would appreciate an explanation as, I am sure, would the Editor of the Nor'Wester, in Springdale. I have copies for the Members opposite. Thank you, Mr. Speaker.

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

Mr. Baker: Thank you, Mr. Speaker. I think it is quite obvious to Your Honour and to all members of this House, who have heard similar such things done in the House before, that that is simply not a point of privilege.

There are many sections of Hansard to which I could refer, but it is obvious in paragraph 31, page 13, subsection 1: 'A dispute arising between two Members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege', and so on. Also there are many instances where it is pointed out that to be a matter of privilege it has to interfere with the Member's parliamentary duties, and the Member's privileges in that respect have not been breached at all. It is simply an attempt, Mr. Speaker, by the Member for Green Bay to make a political statement under guise of a point of

privilege, and simply to make his point to the press, and it is an abuse of the principle of privilege.

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

Mr. Simms: Mr. Speaker, I would like to make a contribution for Your Honour to give consideration to this matter. Specifically I would say at the outset that I disagree with the Government House Leader, that he interprets this simply as a difference of opinion with respect to facts. I think it goes much deeper than that, and I refer Your Honour to Beauchesne's Sixth Edition, Paragraph 26, where, first of all, subsection (2) says: 'A question of privilege, is a question partly of fact and partly of law - the law of contempt of Parliament - and is a matter for the House to determine.' Now if ever there was an example of contempt of Parliament, Mr. Speaker, what the hon. Member for Green Bay has just quoted certainly is an example of it.

The second reference I would give to Your Honour to give this matter serious consideration, as opposed to just listening to the Government House Leader and sloughing it off, is also in the Sixth Edition of Beauchesne, Paragraph 92 which also says and I quote: 'A valid claim of privilege in respect to interference with a Member must relate to the Member's parliamentary duties...' Again, Mr. Speaker, it is very clear the allegation made under the point of privilege by the Member for Green Bay is with respect to the Minister of Social Services interfering with the Member's parliamentary duties by saying something in this House which is

obviously, because of the written correspondence from the newspaper editor in question, wrong and totally misleading. I think it is not only a point of privilege, I think it is a very serious point of privilege and one that requires proper consideration.

Mr. Speaker: The Chair is ready. I do not want to prolong this -

Mr. Baker: Mr. Speaker.

Mr. Speaker: - but I will allow the hon. the Government House Leader to make one more comment.

Mr. Baker: The Opposition House Leader, every time there is a spurious point of privilege brought up, keeps referring to the one clause in Beauchesne about a question of privilege, a question partly of fact, partly of law and so on. The principles of parliamentary law, Mr. Speaker, are outlined right at the beginning of Beauchesne, and these principles are quite simply, Paragraph 1, page 3, Sixth Edition of Beauchesne, 'To protect a minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner; to enable every Member to express opinions within limits necessary to preserve decorum and prevent an unnecessary waste of time; to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse.' Now these are the principles of parliamentary law, Mr. Speaker, that are referred to.

An Hon. Member: Carry on. Carry on. There's more there.

Mr. Speaker: Order, please!

The Chair will take it under advisement and study what argument has been advanced by both sides and make a decision a little later.

Statements by Ministers

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

Mr. Carter: Mr. Speaker, it is with some pleasure that I announce today that the Government of Newfoundland and Labrador has approved initiatives that will enable the fish plant at Port aux Basques to operate for the 1990-1991 South West Coast winter fishery.

As you are aware, Mr. Speaker, the government-owned plant had been leased to Connors Brothers, but the company decided not to renew the lease when it expired this year. Since then, the Department of Fisheries has been actively involved in negotiations with a number of interested groups in attempts to find a new operator.

I am happy to report today that Government has given approval to lease the Port aux Basques fish plant and related assets to the Port aux Basques Community Diversification Corporation (CDC).

CDC has formed a company that will, in turn, contract the services of Connors Brothers Limited for the management of the plant for the marketing of its products, of course, and for the plant equipment.

I am also pleased to announce that the Department of Fisheries has contributed \$100,000 to the CDC for the installation of a salt water system.

In addition to that, my Department will also contribute a maximum of \$100,000 towards the cost of vessel refit and streamlining plant production lines. This amount is approximately 50 per cent of the budgeted cost for this work. The CDC will contribute the remainder.

As a further initiative, the Department of Fisheries will continue to work with the CDC - again, that is the Community Diversification Corporation - to divest these facilities over the longer term, and will contribute \$20,000 for the services of a consultant for this purpose.

Mr. Speaker, these initiatives will ensure continued employment for 300 to 350 plant workers when the plant is in full production, as well as provide a market for the local fishermen to sell their catches.

I would like to take this opportunity to congratulate publicly the Port aux Basques Development Diversification Committee in particular, as well as the town council of Port aux Basques and, of course, the Member of the House of Assembly for LaPoile, for their input, persistence and efforts in making these initiatives possible.

Some Hon. Members: Hear, hear!

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

Mr. Matthews: Thank you, Mr. Speaker. I, first of all, would like to thank the Minister for a copy of his statement in advance of proceedings beginning, and I would like to say to the Minister, and to all members, that we are very, very pleased that the

Minister could bring forward such a positive announcement today.

We, on this side, have been very concerned for the last number of months, actually, as to what would happen to the people in Port aux Basques if a satisfactory arrangement was not put in place to reopen the fish plant in time for the winter fishery. It was only last week we raised the matter in the Legislature, and brought it to the attention of the Minister, to ask how things were going. So we are very, very pleased that a satisfactory arrangement has been made with the Community Diversification Corporation.

We are also very pleased to see that the Minister's Department is putting in approximately \$220,000 to bring this thing about. I might say that is a welcome change, and I think it is one of the few times since the change of Government that the Department of Fisheries has put any money into keeping fish plants open, and the fishery in this Province.

We are delighted with the announcement, and we are delighted for the 300 to 350 plant workers that we hope will get back to work soon. Of course that will be very dependent upon how successful this Winter fishery will be, and on the resource. We would like to take the opportunity to congratulate all those involved in this very positive announcement, Mr. Speaker.

Some Hon. Members: Hear, hear!

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

Dr. Kitchen: Mr. Speaker, I take this opportunity to inform hon. members about the nature of the

restraints in Federal transfer payments to provinces, and the effect these restraints are having on the budgetary position of this Province.

Since the fiscal year 1982-83, the Government of Canada has activated a series of restraint measures, which have already cost this Province \$481 million. The cost this year alone is over \$160 million, and next year it will be even more. The restraints are escalating at a dramatic rate as indicated in Chart 4 of our Budget document of March 15, 1990. These restraints have primarily affected the two major transfer programs, Established Programs Financing, or EPF, and the Equalization Program.

EPF transfers consist of cash grants and transferred tax points. The combined value of these grants and tax points is distributed on an equal per-capita basis to all provinces in Canada. The program was designed to provide Federal block-funded assistance for provincial health care and post-secondary education programs. In an effort to address a growing federal deficit in a manner which would effect all provinces equally per-capita, the Federal Government, beginning in 1982-83, enacted a series of five measures to restrict the size and growth of EPF transfers. These measures culminated in the 1990 Federal Budget measure to freeze the EPF total transfer for two years. Given the built-in growth in the tax transfer component of EPF, this action causes an absolute reduction in the cash transfer, despite increasing costs and needs for both health care and education.

Mr. Speaker, these EPF restraints have cost this Province \$429

million, including \$113 million this current fiscal year, and will cost the Province even more next year.

Mr. Speaker, let us now turn from EPF to Equalization. Unlike EPF which is distributed on an equal per-capita basis to Provinces, equalization payments are intended to assist the less affluent Provinces by ensuring that all Provinces have sufficient revenues to provide a reasonably comparable level of public services at reasonably comparable levels of taxation. The Equalization program has been raising the revenue generating capacity of the seven least affluent Provinces to a level approximately 92 per cent of the national average.

In 1982-83, the Federal Government introduced a ceiling into the Equalization formula. This ceiling ties cumulative growth in Equalization payments to national economic growth, as measured by the Gross National Product, or GNP. This means that Equalization payments cannot increase faster than national GNP. This ceiling was not activated, however, until January 1990. Since that time the Federal Government has used the ceiling provision to reduce Equalization entitlements for the fiscal years 1988-89 to 1990-91.

This Equalization ceiling in effect reduces the standard to which recipient Provinces are raised. It comes at a time when all Governments are trying to increase their revenues to address growing deficit problems. It reduces the capacity of the least affluent Provinces to share in these increased revenues. It is taking effect despite the Federal Minister's assurance in his 1990 Budget Speech that Equalization

payments would be exempt from his expenditure control plan. Mr. Speaker, this year, of our projected \$60.3 million shortfall in Equalization payments, the ceiling is costing us \$49 million.

The costs of these restraint measures to this Province, in terms of dollars and required corrective actions, are very large. The cost of this year's changes to Federal transfers, combined with previous restraint measures, makes it increasingly difficult to provide adequate programs and services, particularly in the areas of health care and education.

Our problems in the current fiscal year are compounded by the fact that, in addition to the cost of Federal restraint on transfers intended for this year, we are also required, this fiscal year, to repay some of the transfers which we received last year. Mr. Speaker, we also have to repay some of the transfers received by the previous administration in 1988-89.

Mr. Speaker, the extent and timing of Federal restraint in major fiscal transfers, contributes greatly to our current fiscal difficulties. Thank you, Mr. Speaker.

Mr. Speaker: The hon. the Member for Mount Pearl.

Mr. Matthews: What a weak, feeble attempt.

Mr. Windsor: Thank you, Mr. Speaker. Mr. Speaker, first of all this is an abuse of Ministers' privilege to make statements to the House of Assembly. Statements by Ministers are given precedence in this House as the first order

of business, other than points of personal privilege, as we have seen today, and they are intended to give Ministers an opportunity to give new, urgent information to the House of Assembly.

Mr. Speaker, there was absolutely nothing new in this statement. The Minister refers to programs which have been in place since 1982-83, introduced by the previous Liberal administration in 1982-83. These are the changes he is now trying to use to explain his deficit as it relates to this year's Budget.

The Minister makes a number of references. Unfortunately, I have to deal with his statement. He refers to chart 4 of his Budget, Mr. Speaker. Chart 4 of his Budget shows very clearly what is happening with restraint. There are no surprises here. This is information he knew in his Budget. The Federal budget, by the way, came down in February. So announcements that took effect this year were announced in February, a month or so prior to the Minister's Budget, and are reflected quite nicely in the drafts and charts he has.

For example, he use the example of chart 4, and I will refer to other charts in the Budget as well. Chart 3, the inflation rate, Mr. Speaker, shows a very straightforward trend of what is happening in inflation. Chart 2, unemployment rates in Canada, shows very clearly a clear trend of what is happening in unemployment. Chart No. 5 is EPF cash transfers. Very clear trends there, as well - no surprises. Chart No. 6, current account deficit, no surprises until now. The trend was very clear until the Minister revised a couple of

months ago and finally admitted what was taking place.

The point I am making, Mr. Speaker, is that there were no surprises, there were no staggering changes in any of these charts except now, the revised deficit that the Minister is projecting. There are no new numbers. The information the Minister refers to today is not new or exciting, it is information that has been known since 1982. It had no impact on his ability to properly predict the expenditures of this Government this year or to predict what the deficit would be. He is simply trying to use this information now to cover up his own incompetence, his own inability to properly predict the expenditures and revenues for Government for this year, his own inability to come up with a proper deficit, his failure to tell the truth to the people of this Province and to give us the true deficit, when he knew the difference at the time of his Budget, and his own failure, Mr. Speaker, to properly manage the affairs of Government. It is nothing but an attempt to cover up his own inabilities, Mr. Speaker, nothing more.

Some Hon. Members: Hear, hear!

Mr. Speaker: Before proceeding to Oral Questions the Chair would like to comment on a point raised by the Opposition House Leader yesterday with respect to a ruling I had made on Question Period. He was not appealing the ruling, as he is not permitted to, and of course he did not do that, he simply asked the Speaker to elucidate upon the ruling. And though I hate to admit it, the Speaker is not infallible and is always open to that kind of

suggestion.

First of all, I want to inform hon. members that the rules governing regulating our Question Period apply to all kinds of eventualities in the House. For example, an Opposition that is not as well orchestrated as we see today, or, in other words, to make it more clear, back, first when I came in the House, everybody stood, all members stood. And, of course, it is also to try to take into consideration if we have more than one Opposition Party, if there are three or four. And, having said that, the rules are, or the assumption is, that one Member is given a question and then allowed some supplementaries. Some Houses restrict the number of supplementaries.

Indeed, there were times when I had been sitting in the House that if you got off two supplementaries you were lucky. That is about as much as you would get. But over the years the Opposition changed and the Chair can only recognize members as they stand. But still the Chair has to apply the rules as they apply generally to the House, with some degree of flexibility, and it was in that way that the Chair made - and I do not call it a ruling - more of a guideline than a ruling, because I am sure the ruling I made yesterday, hon. members will realize, that if an hon. member can say that he has a new question, that would induce a new complexity for members and for Speakers. But I have said that I have recognized a question for a different Minister. With respect to the ruling that I made, I will still say I do not call it a ruling. The Chair has to have some degree of flexibility and has

to hear the question. So, what I am saying is not ruling out that there cannot be a new question, but the Chair has to have some flexibility.

Oral Questions

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

Mr. Rideout: Thank you, Mr. Speaker. Mr. Speaker, on October 15 past, the Minister of Health wrote the Hospital and Nursing Home Association in this Province and told them the following, and I quote: "The 1991-92 Budget for your organization will be approximately equal" - note the words 'approximately equal' - "to the final revised Budget for the current fiscal year."

Now, Mr. Speaker, having received that letter, the Hospital and Nursing Home Association made some comments to the effect that this would have the effect of reducing health care funding by 12 per cent for next year or \$60 million, and would result in about 1,200 jobs lost in the health care sector. The Premier, the Minister and the President of Treasury Board disputed that.

I want to ask the Minister today, Mr. Speaker, can the Minister confirm that that Association just recently, and by recently I mean very, very recently - the Minister, I guess, knows what I am talking about, how recent in fact it was - informed the Minister that they continue to stand by those predictions, that they continue to stand by the fact that they will have an effective cut of 12 per cent or \$60 million, and that they have informed the

Minister that they have, in fact, in making those assumptions, been very, very conservative?

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

Mr. Decker: Mr. Speaker, I could refer the hon. member to page 8 of The Evening Telegram, if you want to know how recently I met with the Hospital Association.

An Hon. Member: Today's paper?

Mr. Decker: Today's Telegram, yes.

The hon. Leader will know that we are in a process, the health stakeholders in the system are in a process, working very closely with the Department of Health, to determine the impact of freezing their budgets next year at this year's level - at approximately this year's level. I met last night, as a matter of fact, as the paper so rightly points out, with the Hospital and Nursing Home Association, and I am not in a position at this moment to say there will be 1,200 jobs or 1,500 jobs or 300 jobs. There are different ways to deal with this problem, one of which, I suppose, would be to close so many beds in each institution; another way would be to close down one, two, or ten hospitals within the Province. There are different ways that you can deal with this problem.

One of the suggestions made is that there will be 1,200 jobs lost. I suppose that could be a possibility. But no decision has been made. We are working through a process in very close co-operation, Mr. Speaker, with the stakeholders in the system.

Mr. Speaker: The hon. the Leader

of the Opposition.

Mr. Rideout: Mr. Speaker, I did not ask the Minister about process, I did not ask the minister to confirm that 1,200 jobs would be lost or \$60 million would be lost to the system, what I asked the Minister was, and I will ask him again, will he confirm that the Hospital and Nursing Home Association have informed him that they are sticking by their estimates and that those estimates, in their view, are very, very conservative? That is the question, very simple, and can the Minister confirm that?

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

Mr. Decker: Mr. Speaker, the hon. the Leader of the Opposition wants to sensationalize this and say 1,200 jobs and 1,500 jobs, and that is really causing a lot of anxiety among the workers.

The truth of the matter is, Mr. Speaker, that we are working through a process. And I should point out that we in the Department of Health and we in the Government do not want to have any job loss; we do not want to lose a single job, and if there is some way we can enact this freeze, which is forced upon us by the fiscal reality of the nation, then we would prefer not to lose a job. We have not yet determined how many jobs will be lost. I should say it is our hope that not a single job will be lost, but we have to consider the fiscal reality of the Province, and we have to consider the health and well-being of the patients who use the system, Mr. Speaker.

Mr. Speaker: The hon. the Leader

of the Opposition.

Mr. Rideout: Mr. Speaker, everybody knows, and anybody listening will know, that I have tried on two occasions to get a direct answer and there is no direct answer, so, therefore, the answer must be yes, Mr. Speaker. Is it any wonder we kick up a racket trying to get answers out of Ministers in this House?

Let me ask the Minister another question, Mr. Speaker. Can the Minister confirm that the Department of Health has formally advised hospitals and nursing homes in this Province that the cost of pay equity must be absorbed by those institutions, in contrast to the statement made by the President of Treasury Board in this House that the Government will absorb that \$6 million cost? Has the Department of Health formally told those institutions, despite the statements of the President of Treasury Board in the House, that they must absorb that cost?

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

Mr. Decker: Mr. Speaker, the first part of the question, maybe I do not understand the depth of it and its logic just escapes me. The hon. the Leader of the Opposition is trying to, I believe, force the Department into making decisions which would be on the spur of the moment, which would not be accurate.

The truth of the matter is, no one knows for sure, for certain, the full cost of pay equity. No one knows yet the full cost of this. We are not going to be forced into making spur-of-the-moment decisions. We are working through

a system with the full co-operation of the Newfoundland Hospital and Nursing Home Association, with the full co-operation of the people who are out there in the system, and we are not going to be forced into making any rash decisions. We are going to deal with this in the rational way we have been dealing with all things since we have become Government.

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

Mr. Rideout: Mr. Speaker, it is obvious that the Minister is not going to be forced into giving any direct answers, either. A simple question: Did you or did you not tell the institutions that they have to absorb the pay equity?

Let me ask the President of Treasury Board - the President of Treasury Board said very clearly in this House a couple of days ago that he had in this year's Budget, I believe he said \$6.3 million to address the pay equity question. Now hospitals and nursing homes have been formally told, despite what that Minister will not say in this House, that they must absorb it. How does that square with what the President of Treasury Board told us a couple of days ago?

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

Mr. Baker: It squares exactly. Both positions are identical. I will once again indicate my explanation. I have done it two or three times, I do not now which time, to, I believe, the Member for Humber East. In the Budget this year there was \$6.3 million for pay equity, alright? That amount is in this year's Budget and, therefore, is in the base.

Some people have been saying that the cost of pay equity is, in fact, going to be \$15 million and so on.

Mr. Windsor: Where do you get the (inaudible) 3 million?

Mr. Baker: We have a figure of \$6.3 million in our budget that is part of the base and it will be used for pay equity, and that part of the base will exist next year. If it is not paid out this year, that part will exist next year. If it is paid out this year, then it becomes built-in anyway.

Now, then, the problem comes with estimates that perhaps pay equity is going to cost a lot more than \$6.3 million. We only have \$6.3 in this year, so some hospitals have been including estimates of the amount of pay equity over and above that \$6.3 million which they suspect might be there. My point simply was, that in reality nobody knows what pay equity is going to cost. If it is not going to cost any more than the \$6.3 million, then there is no problem at all. Now is that a bit a clearer than -

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

Mr. Simms: That was not the question.

Mr. Rideout: Mr. Speaker, that is as clear as mud. Now let me ask the President of Treasury Board one more time - the Department of Health has told hospitals and nursing homes in this Province that they must provide for pay equity. Now, let me ask the President of Treasury Board, who is providing for pay equity? Is it the Government, or is it going to be the hospitals and nursing homes? Who is providing for it?

Mr. Simms: Who is right, you or the Minister of Health?

Mr. Rideout: Who is right, you or them?

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

Mr. Baker: The Government has said to all Departments that the assumption is to be that they have to survive next year on this year's allocation, and to analyze the system and come back and tell us what the effect will be. We have given them until the end of November to get the information back, at which time the Cabinet will then have to make its decisions. Now, one of the decisions is that in this year's Budget there is \$6.3 million for pay equity. Any costs above that we are not taking into account now, obviously, because we put that figure in assuming that was going to be the cost of pay equity. Nobody knows - we will not know until, I guess, early in the spring, or early in the New Year, what the cost will be because the process has not completed. When we know, then we can determine the effect of pay equity and then we will know whether there is in fact any extra money that needs to be put in for pay equity this year.

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

Mr. Hearn: Thank you, Mr. Speaker. My question, Mr. Speaker, is to the Minister of Education. I ask the Minister if he will tell the House whether Government has arbitrarily made changes in the grant component of the Student Aid Program?

Dr. Warren: I am sorry. I could

not hear the question.

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

Mr. Hearn: The Minister did not hear me. I just asked the Minister if he will tell the House whether or not the Government has arbitrarily made changes in the grant component of the Student Aid Program?

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

Dr. Warren: Mr. Speaker, I am at a loss as to the question. Let me say that this year we made some major changes to the Government grants to students. In fact, we increased grants, particularly for single parents and people with dependants. We made a lot of changes in the Student Aid Program this year, and these changes were made in consultation with the Ministerial Advisory Committee on Student Aid.

I guess that is arbitrarily, but the Government has the power, it is my understanding, to make such changes, Mr. Speaker.

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

Mr. Hearn: Thank you, Mr. Speaker. The Minister announced these changes earlier and took credit for them, and some of them are positive changes. What he failed to announce were the negative ones. People in the Student Affairs Division have been told to expect calls from a lot of irate students. I ask the Minister if it is factual that the grant has been reduced to students who take fewer than five courses. Students who always took three

course or more were considered full-time students. Now, if they go to pick up their grant today, they find out that the grant has been reduced in accordance with the number of courses they are taking.

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

Dr. Warren: Mr. Speaker, we did make a lot of changes, but I will check that. I am not aware of that. In fact, all the changes we made in the Student Aid Program had the full support of the Student Advisory Committee on Student Aid, and included on that committee were members from all of the post-secondary institutions who were representing all of them. But I will check, Mr. Speaker, to see if there are any negative reactions to these changes?

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

Mr. Hearn: Thank you, Mr. Speaker. Let me ask the minister, then, if he will also check out the fact that it has been hinted that it might be considered that it will be made retroactive and that people who have obtained grants in the past with fewer than five courses may have their loan/grant situation adjusted, whereby more money will be put on the loan and less on the grant?

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

Dr. Warren: Mr. Speaker, a totally outrageous suggestion. I would say no, to that.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Dr. Warren: Mr. Speaker, I would say no way to that suggestion. Let me add one point, Mr. Speaker. We have had tremendous reaction, public reaction, student reaction to the major changes we made to the Student Aid Program.

Some Hon. Members: Hear, hear!

Dr. Warren: It has been one of the most positive -

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Dr. Warren: Mr. Speaker, it has been one of the most positive things that this Government has done in the last year, and I am delighted to have made these changes.

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

Ms Verge: Thank you, Mr. Speaker. My question is for the Minister responsible for the Status of Women. I would like to ask the minister about the October 1 change in social assistance policy that involved classifying maintenance and child support as non-allowable income instead of allowable income, and resulted in a surprised decrease in income for about 1,000 single parent families in the Province of up to \$115 a month. Does the Minister believe that change is fair?

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

Mr. Baker: Mr. Speaker, a lot of what the Member says, I suppose, needs to be defined. She has been asking the same question of the Minister of Social Services and of the Premier and everybody else for the last week or so.

Some Hon. Members: Hear, hear!

Mr. Baker: I do not know if she has heard the answer. In terms of the surprise, she tries to give the impression that people went to the post office and all of a sudden their cheques were reduced without any warning. The Minister has pointed out that there was -

An Hon. Member: Do you dispute that?

Mr. Baker: Well, the Minister has pointed out, it seems to me, that notice went in the mail.

Ms Verge: That is not the major issue anyway. (Inaudible).

Mr. Baker: Okay. All right. You are right it is not a major issue, but there was notification.

An Hon. Member: No, there was not.

Some Hon. Members: No. No. No.

Mr. Baker: The Minister has explained there was notification.

An Hon. Member: No. That is wrong.

Mr. Baker: As to, Mr. Speaker, what is fair, the Minister of Social Services has explained what the Department of Social Services is doing in terms of single parents, and one action has to be looked in the context of a lot of actions. So, I would urge the Member to again have a look at the explanation the Minister of Social Services has given, not only in this House, but to groups all around this Province.

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

Ms Verge: What a letdown, Mr.

Speaker, this from the Minister responsible for the Status of Women.

My next question is for the same Minister in his role as President of Treasury Board. Would the Minister tell the House how much money the Government is saving as a result of this social assistance reduction? How much money is the Government saving on the backs of children and single mothers?

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

Mr. Baker: Mr. Speaker, I suppose it is inflammatory and it is the normal thing to say on the backs of somebody. That is a normal type of tactic to get attention. I would suggest that question, Mr. Speaker, has been answered a number of times. The Member has heard that answer from the Minister of Social Services a number of times.

An Hon. Member: In other words, you don't know. How many more families will be helped?

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

Ms. Verge: Thank you, Mr. Speaker. As a matter of fact, that question has never been answered.

I have a question now for the Minister of Justice. Will the Minister of Justice confirm that Social Assistance Regulations have not been amended to authorize the October 1 change in social assistance policy, that the Social Assistance Act Regulations specify that maintenance is allowable income? And will the Minister of Justice admit that the Department of Social Services has been

deducting all maintenance from social assistance to single parent families without legal authorization? And will the Minister of Justice instruct the Department of Social Services immediately to pay the income illegally deducted to the people affected and pay interest?

Some Hon. Members: Hear, hear!

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

Mr. Dicks: Thank you, Mr. Speaker. I believe the Member is correct in part of what she says, and that is that as of yet, I believe, the change to the regulations has not yet been gazetted.

The second matter that she raises, whether or not it is illegal, is a different matter. Whether or not the department can go ahead and implement a policy prior to the regulations actually being gazetted is not a matter on which I can comment with legal certainty at this point. I will look into it, and if there is any substance to what she says, if it is, in fact, illegal, then, of course, Government will take the appropriate action. But I would say at this point that she is partly correct. But whether or not that constitutes illegality grounds for repayment of the monies is not clear at law, but I will certainly take it under advisement.

Mr. Simms: Will you let us know before the day is out?

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

Mr. R. Aylward: Thank you very much, Mr. Speaker. Mr. Speaker,

only two days after the Minister of Works, Services and Transportation delivered his statement on saving money for the Department of Works, Services and Transportation - within two days - our offices are already flooded with calls.

Some Hon. Members: Oh, oh!

Mr. R. Aylward: Members opposite can laugh at this if they like, Mr. Speaker. This is a serious situation in this Province.

Is that Minister aware that last night in the Plum Point/Anchor Point area, up until 11:30 this morning, there was one lane of traffic cleared? There was no other snow clearing in that area this morning. The depot at Plum Point is waiting for guidance from the Deer Lake office. After ten inches of snow fell last night, there were no plows on the road until dinner time today. Is the Minister aware of these problems that happened last night?

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, I am sure everyone is aware that in a Department which provides snow clearing for the Province, when they have the first snowfall every year no doubt there are problems, and the equipment we have is never going to be where everybody expects it to be.

But I will submit to the Member that there are problems all over the Island when we get the first snowfall. There is nothing at all different. As to the allegations the gentleman is making about waiting for permission from one place to the other, that is

something I will certainly check. But I would say that it is not uncommon when you get the first snowfall for certain areas to be waiting to have roads cleared.

Mr. R. Aylward: Mr. Speaker, the hon. Minister has just confirmed that he has no idea whatsoever what is going on in his Department. Last week we had snowfalls on the Northern Peninsula and the West Coast.

Some Hon. Members: Hear, hear!

Mr. R. Aylward: A full week to get ready and still nothing done.

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

The hon. Member knows very well that he is not supposed to debate the answer and that he is into a supplementary.

An Hon. Member: Too bad. Protection.

Mr. R. Aylward: Thank you very much, Mr. Speaker. Sorry about that.

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

Mr. R. Aylward: Mr. Speaker, is the Minister aware that his policy change announced two days ago, to eliminate overtime for certain workers in the Department of Transportation, will mean that for foremen in particular, people who over the years were drawn from the experienced equipment operators on the summer maintenance program and bumped up to supervisory positions as foremen to do this very important work before the crews came out, is he aware now, Mr. Speaker, that he will have inexperienced people in these

jobs, because the equipment operators will not move up into these positions, they will stay with their union positions and they will keep their overtime?

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, that is the point. When the Member commented on the statement I made last week he made the statement that this Province was going to be in jeopardy because of the snow clearing, and because of the way we were changing the paying of our foremen. Now, I think he owes those people an apology.

Some Hon. Members: Oh, oh!

Mr. Gilbert: He owes those people an apology. Because here you have people, foremen who were there doing a job, and all of a sudden he said because we are changing the policy of payment, they were not going to do their jobs.

Now, Mr. Speaker, this is the mud those people want to get into. He is talking about 159 people in my Division who fill those jobs. The method of paying their overtime is going to be changed. He is saying, because we are doing that, those loyal, dedicated people are not going to do their jobs. Mr. Speaker, I say he should apologize to the people.

Some Hon. Members: Apologize! Apologize!

Some Hon. Members: Shame! Shame!

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

The hon. the Member for Kilbride.

Mr. R. Aylward: Thank you, Mr. Speaker. Again the Minister confirms he does not understand the questions or understand what is going on in his Department. The experienced people who take these jobs every winter, Mr. Speaker, will refuse to take them now.

Mr. Speaker: Order, please!

I remind the hon. Member that he is not supposed to comment on the answer. He is now into a supplementary, and I ask him to ask his supplementary.

Mr. R. Aylward: Thank you, Mr. Speaker. Only a couple of weeks ago the hon. Minister announced a safety program his Department is going to bring in that is worth about \$500,000, about the amount of money he is going to save. That program was to help the police stop cars and check them for seat belts, to pay the policeman overtime to do this job.

Having experienced foremen on the roads early in the morning to protect schoolchildren in particular, to protect ambulance and fire truck drivers in particular, who are jeopardizing their lives now, would he not think this issue as important as checking for seat belts, Mr. Speaker?

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, I am amazed to think that the Member would get up and again try to mislead the House and the people of Newfoundland. The statement I made two or three weeks ago concerning \$500,000, that was a program that has been in the

Department since it has been here - \$500,000 over a five year program to enforce safety, to advertise things like seat belts, drunken driving. It is the advertising now. Again, the \$500,000, Mr. Speaker, is in the budget for a five year period, at a rate of about \$80,000 to \$90,000 a year, to advertise the various safety-related projects my Department carries on.

Now the interesting thing about it is he raised the question about seat belts. Last year, thirty people not wearing seat belts were killed in traffic accidents in this Province. Out of the eighty-four who were killed, thirty of them did not have seat belts. Statistics say that if they had had seat belts on, Mr. Speaker, fifteen of them would be alive today.

The other interesting thing from those statistics about seat belts, Mr. Speaker, is that to keep a person in intensive care in a hospital costs \$200,000 a year. So by wearing seat belts, if we can cut out the number of people who are not wearing them, we can cut down on the cost.

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

The Chair reminds hon. Members on both sides of the House that questions and answers should be brief. I realize the question was a rather long one, and this is why the Chair tries to discourage preambles. Because then, obviously, if there is a long preamble, the Minister ought to be given a chance to comment on the preamble. But I would suggest he was far too long.

Mr. Speaker: The hon. the Member

for Kilbride.

Mr. R. Aylward: A final supplementary, Mr. Speaker. After hearing the reports today, especially the reports on all the radio stations I heard this morning, the school reports, Mr. Speaker, that school buses were delayed and interrupted this morning because the work of the Department of Transportation in particular was not done on a proper, timely basis, will the Minister reconsider this policy so that we can get safety in winter maintenance and snow clearing back onto our highways, Mr. Speaker?

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, I do not know what the member heard this morning on the radio, but I can assure you right now that my department is doing its job. The policy that was announced last week had absolutely nothing to do with it. Their job is done in the normal way it is going to be done. I did hear on the radio this morning that the streets around St. John's were slippery. Now we do not plough them, Mr. Speaker.

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

Mr. Winsor: Thank you, Mr. Speaker. My question, too, is to the Minister of Works, Services and Transportation. The Premier, in response to a letter to the Fogo Island Transportation Committee dated March 17, 1989 said and I quote, 'The Liberal Party is committed to ensuring the people of Fogo Island and Change Islands a fair and equitable transportation system to replace

the present system, which is inadequate.' In view of the Minister's statement earlier this week in which he goes back to the system that was inadequate in 1989, how can the Minister make this statement and correct the inadequacies the Premier said existed in 1989 and you just put back in place?

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, I do not know what statement the Premier made in 1989. I would suggest that he should table the letter he had there. Because if he carried it on to its conclusion, you would find that it was replacing a system that was there in 1989. Now the system that was there in 1989 was delivered by a defective vessel. The system we are putting in now is a dedicated twelve month service. That is there right now. We are changing it. One vessel will provide the service to both Change Islands and Fogo Island. What it will mean is during the fall months there will be three trips a day. During the winter months it is two trips a day. The surprising thing about that, Mr. Speaker, is that it is exactly the same service that is provided with two boats - exactly the same service that is provided with two boats - but we are going to do it with one boat now. In 1989 one boat did it, and the boat broke down; it had trouble with its thrusters and it was taken out of service.

An Hon. Member: You are having trouble with your thruster, too, I think.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

The hon. the Member for Fogo.

Mr. Winsor: Mr. Speaker, this Minister amazes me.

Let me ask him another question. The elimination of a ferry for nine months of the year will result in job losses on the Fogo Island - Change Islands run. Can the Minister tell us how many temporary or full-time jobs will be lost as a result of this reduction of one vessel?

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, there will be layoffs in the system, I would submit about ten layoffs, because one vessel will be taken out of service. However, I would point out that the interesting thing in this is that the vessel that is going to service Fogo and Change Islands, the Beaumont Hamel, has an excessive capacity to do that job. If you look at last year, the Beaumont Hamel on the Fogo Island service ended up with 40 per cent capacity, and the Hamilton Sound on the Change Island service operated at 22 per cent capacity.

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

Mr. Speaker: The hon. the Opposition House Leader, on a point of order.

Mr. Simms: Mr. Speaker, the Minister was clearly asked a simple question, how many job losses? If he wishes to make a speech, he should make it in debate. That is what he is making now, and a terrible one at that.

Mr. Speaker: There is no point of order. We cannot insist on the answer the Minister gives. One can decide that he is giving a speech, and the Chair will have to make that decision.

Question Period has expired.

**Presenting Reports by
Standing and Special Committees**

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

Mr. R. Aylward: Thank you very much, Mr. Speaker. Mr. Speaker, as all members of this House are aware, the Government Services Legislation Review Committee has been holding hearings around this Province pertaining to Bill 38, "An Act Respecting the Creation of Regional Service Boards Throughout the Province".

Mr. Speaker, we have all but finalized our official Committee report, and knowing what is in that report and knowing that it will not be ready to be presented until Monday, through no fault of the Committee members or the Chairman, I might add, I will not be here Monday or next week, and I have some disagreements with recommendations that will be in that report, so I would like to present on behalf of myself, Mr. Speaker, as Vice-Chairman of that Committee and the Member for Harbour Main who is on that Committee -

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

Mr. Speaker: Order, please!

A point of order, the hon. the Member for St. John's South.

Mr. Murphy: Thank you, Mr. Speaker. I would like to point out to Your Honour that in Beauchesne, Sixth Edition, page 240 -

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Mr. Murphy: Section 870, Your Honour, Reports To The House -

Mr. R. Aylward: What page?

Mr. Murphy: I will quote page 240. If hon. Members would listen, they would hear. Page 240. Preparation of Committee Reports, section 840. I will quote the small section to Your Honour. 'It is the opinion of the committee, as a Committee, not that of the individual members, which is required by the House, and, failing unanimity, the conclusions agreed to by the majority are the conclusions of the committee.' And subsection (2), Your Honour, is even more direct to what the hon. Member is doing. 'It is the custom to include the opinions of dissenting members in a committee report. No separate minority report may be tabled in the House.'

Mr. Speaker: Order, please!

The hon. the Member for Kilbride.

Mr. R. Aylward: Mr. Speaker, to that point of order. I might suggest to the Chairman of our Committee, the hon. the Member for St. John's South, that he tried to muzzle me on the Committee, Mr. Speaker and he tried to bring in a report that had no recommendations. But he will not muzzle me in this House. This report will be presented.

Mr. Speaker, I suggest that there is no point of order, and I expect that you will rule on it.

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

Mr. Baker: Mr. Speaker, to the point of order. I do not interpret here any attempt to muzzle. I believe what the Committee Chairman has said is that according to Beauchesne, no separate minority report may be tabled in the House and that the minority report becomes part of the main report. And I believe he has indicated that he will put that report in as part of the report of the Committee as a minority report, which is the normal process of doing it. I do not see any attempt to muzzle here at all, Mr. Speaker.

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

Mr. Simms: Mr. Speaker, the references the Member for St. John's South is using and to which the Government House Leader refers, deals with the House of Commons practices. The House of Commons practices are not applicable here in all these situations. Very clearly, they are talking about the House of Commons practices and we have not had the situation, in fact. And, generally speaking, our own Standing Orders provide for, under routine business, the tabling of documents and information for Members who wish to get up and table documents or information related to Committee work. Frankly, I fail to see the reasoning why Members opposite would be so reluctant to see a report tabled that expresses a minority view of Members on a Committee. What is wrong with

that, Mr. Speaker? What could be more open? I mean, let's face it. What about fairness and balance? Let's face it, Mr. Speaker, the point is the document will be tabled, the document will be made public. All members opposite are doing is trying to muzzle members on this side and waste the time of the House. Let us get on with the important matters of the Province. That is what is important.

Mr. Speaker: I do not want to protract debate on this matter. We could stay on this for some considerable time. If I allow the Government House Leader now to speak, then I, obviously, will have to even that up. So if the Government House Leader has something new to contribute, then I will hear it.

The hon. the Government House Leader.

Mr. Baker: Mr. Speaker, it is just simply what the Opposition House Leader said. The fact that our Standing Orders are silent on it means that we then go to custom of our House. If there has been no custom of our House, then we go to Beauchesne. So I am glad he agrees that is the process we have gone through in this House, Mr. Speaker.

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

Mr. Simms: Yes, just a brief comment to that, Mr. Speaker. I think his comments really support what I said a moment ago. It is really a waste of time to be arguing this particular point. We have practices, which is exactly my point, we have practices and customs in our House.

An Hon. Member: No, we don't.

Mr. Doyle: You have not been in the House long enough to know if there is a practice.

Mr. Speaker: Order, please!

If the hon. member will continue, please!

Mr. Simms: Yes. I will try to be brief, Mr. Speaker. The members who are howling and saying we do not have practices have only been here in the House for a year and a half. I mean, what do you expect them to know? The fact of the matter is, it is a practice under our Standing Orders, under routine proceedings, for members of the House from time to time, and if you go back ten years ago or whenever you will see Committee Chairman, individual members of the House, got up and tabled documents or reports or whatever related to Committee activities. I do not think there is anything irregular about it. In any event, as I said, the member will certainly make it public, so it is hardly worth wasting the time of the House.

Mr. Speaker: I could recess the House to check it. I do not know how long it would take me. I will do it as quickly as possible, or the House could agree to move on and revert to this some time later this afternoon. I will leave it to hon. members.

The hon. the Opposition House Leader.

Mr. Simms: Mr. Speaker, consistent with my point of view a moment ago, that there are many more important things to be dealing with in this Legislature today, in matters to be dealt with

about the Province, I would certainly support the idea of leaving this particular item and allowing Your Honour to revert to it a little later on, shortly. But I think we should get on with the more important matters of the House.

Mr. Speaker: Hon. members agree that we pass on and we will revert to it when I have had a chance to look at the thing in more detail?

Notices of Motion

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

Dr. Kitchen: Mr. Speaker, I give notice that I will on tomorrow move that the House resolve itself into a Committee of the Whole on Supply to consider certain resolutions for the granting of Supplementary Supply to Her Majesty.

Petitions

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

Ms Verge: Thank you, Mr. Speaker.

I wish to present a petition I tried to present yesterday but was blocked in my attempt to do so by the Minister responsible for the Status of Women. This is a petition of citizens of Newfoundland and Labrador who live in different parts of the Province. Several of them are Memorial University students, others live in and around St. John's, as well as in Conception Bay, Marystown, Appleton, and Wesleyville.

The prayer of the petition is as follows: Your petitioners urge the Government of Newfoundland and Labrador to reverse its change of policy and continue to permit social assistant recipients to retain a substantial portion of maintenance and child support payments, as well as regular social assistance.

Mr. Speaker, astoundingly, today, the Minister of Justice had to admit that the Government has had no legal authority for its October 1 change in policy that has involved deducting all maintenance and child support from social assistance. The Government has been acting illegally in slashing the income of close to 1,000 single mothers and 1,500 children in this Province.

Mr. Speaker, last night many people in the Province donated to UNICEF to help needy children in other parts of the world. We have thousands of children in our own Province who are needy. Among the most needy are children of social assistant recipients who are single parents, children who have suffered at the hands of this Government because of the callous and illegal October 1 change in social assistance policy.

Mr. Speaker, I have to say it did not occur to me personally that the Government did not change the regulations and provide for legal authorization for this change. It did not dawn on me that the Government was acting illegally but, Mr. Speaker, two days ago a Legal Aid lawyer phoned me and told me that she had researched the question and had reason to believe that the Government was acting without legal authorization.

The Minister of Justice confirmed

that in the House today. He said regulation changes have not been gazetted. I have reason to believe that the regulations have not been changed, that the Lieutenant-Governor in Council has not changed the regulations.

An Hon. Member: How come you know that and the Minister does not?

Ms Verge: Now, Mr. Speaker, surely the Government, after having heartlessly cut income for single parent families on social assistance, will not retroactively change the law to authorize this reduction? Surely, Mr. Speaker, a Government that campaigned on a platform of fairness and balance, and which calls itself Liberal, would not think of such a thing? So, Mr. Speaker, I call on Members opposite - I note the key culprits are now absent, the Premier, the President of Treasury Board, who is also the Minister responsible for the Status of Women, and the Minister of Social Services, but I call on one of the Ministers opposite to rise on behalf of the Government and admit finally that the Government made a terrible moral mistake as well as a legal error, and promise that immediately the Government will revert to the correct policy and pay back the income illegally deducted, and pay interest, as well, to the people affected.

An Hon. Member: Hear hear!

Ms Verge: Well! No response. Shame!

An Hon. Member: Nothing to respond to.

Orders of the Day

Some Hon. Members: Order 22, Mr. Speaker.

Mr. Simms: A point of order.

Mr. Speaker: The hon. Opposition House Leader, on a point of order.

Mr. Simms: The normal practice, when Orders of the Day are called, is the Government House Leader will be there to call the Order. Nobody there. The Bill to be called is the Regional Service Board. That Minister is not there. So, I mean, we are reluctant to get up and speak without hearing what the Minister has to say, in all fairness. It seems like she is coming apart over there. I do not know if the Government House Leader is going to introduce the Bill on behalf of the Minister of Municipal Affairs. If he is, I will keep talking for a few minutes to give him a chance to dig out the bill. Or perhaps the Minister, himself, will show up - which is now the case, so I now withdraw my point of order.

Mr. Speaker: Order, please!

There is no point of order.

Mr. Decker: Mr. Speaker, to that point of order.

Mr. Simms: No, I have withdrawn my point of order.

Mr. Speaker: There is no point of order.

Mr. Simms: There is no point of order. Sit down.

Mr. Decker: I will raise a point of order then.

An Hon. Member: Sit down.

Mr. Speaker: The Minister of Health on a point of order.

Mr. Simms: We get to speak again.

Mr. Speaker: Order, please!

Mr. Decker: The hon. the Opposition House Leader is misleading this House. I would not say he is doing it deliberately, but Order 22 was called. The Government House Leader stepped outside for a minute, and he asked me if I would introduce the Order, which I did. So Order 22 was called. I do not know what the hon. Opposition House Leader is getting all upset over. It was perfectly legal, perfectly in order, Mr. Speaker.

Mr. Speaker: There is no point of order.

Mr. Simms: Mr. Speaker, to that point of order. I withdrew my point of order.

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

There is no point of order.

Mr. Simms: Well, I will do what he did, Mr. Speaker, if I may be permitted. I will raise another point of order.

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

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Mr. Simms: The Minister of Health

Mr. Speaker: Order, please!

Mr. Simms: Sorry.

Mr. Speaker: The Chair has not recognized the hon. Member yet.

The hon. the Opposition House Leader, on a point of order.

An Hon. Member: Soon to be. Soon to be.

Mr. Speaker: Is the hon. Member on a point of order?

Mr. Simms: Never mind, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Simms: I will give in to him. I will give him that one.

Motion, second reading of a bill, "An Act Respecting The Creation of Regional Service Boards Throughout The Province". (Bill No. 38).

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

An Hon. Member: We owe you one.

Hon. Member: Call the question!

Mr. Gullage: Mr. Speaker, this bill is a Bill to Create Regional Service Boards Throughout the Province. It is a bill which has been under consideration in its formation for some time now by the Department of Municipal and Provincial Affairs. We presently have, of course, in legislation regional boards per se, but the existing regulations and legislation is not adequate to deal with the issues that are spoken to in this particular Act.

The intent, Mr. Speaker, is to have boards created throughout the Island portion of the Province and in Labrador, comprised of membership which would represent

councils in a particular region. We already have situations where these boards are imminently necessary. In fact, we would have liked to have them created long ago, where a more formalized mechanism is needed to put a legal entity in place to see that councils can operate on a regional basis various municipal services, such as regional water supplies, sewage disposal systems, storm drainage systems, solid waste disposal sites, incinerators, and regional facilities, to give some examples.

It is often necessary to obtain financing, either to cost-share with the Government or to, in fact, pay for the facility strictly from council funds. It is often necessary to finance through bank borrowing for this purpose. This often creates a pressure on a particular community in a region, usually the largest community that has the best fiscal capacity, where the bank usually insists that that particular community sign on the dotted line for whatever lending is involved. We have had situations where loans can be in excess of \$1 million, several million dollars in fact, and one community is asked to take that risk on on behalf of the others.

This regional services board legislation will enable any number of communities to form a regional services board and as it would be a legally incorporated entity, they would sign and be responsible for their share of whatever borrowings took place. That could be on a per capita basis or other distribution of responsibility, depending on what particular service we are speaking about.

If it was fire protection, for

example, and I can give the North East Avalon as an example, there may be some rationale a little different than per capita because of the distance away from the urban core. The fact that density of a particular city or town - well, density, obviously, in this particular example of St. John's would be a lot different than the density residentially and otherwise of, let us say, Paradise or St. Thomas' or Torbay, so the sharing of responsibility and the contribution financially to the operation of a particular regional service would depend, not necessarily on the per capita distribution of people, but can often depend on other rationale besides that.

Mr. Speaker, the intent is to have this board operate under the auspices of municipal councils. The intent is not to have it driven by the Province, and under the auspices of the Province, and a the direction of the Province under Municipal and Provincial Affairs. We currently have a situation where the legislation in place provides for the appointment of members to service boards, such as the St. John's Metropolitan Area Board, individuals who are not elected, not elected to a municipal council, they are neither a mayor nor a councillor.

The intent of this legislation, and I understand from the hearings and presentations made to the hearings throughout the Province, that many of the mayors and councillors who presented briefs spoke to the fact that they did not have enough say and did not have enough authority and enough direction from a council perspective, but, in fact, they have far more authority than they have under the present

legislation. That was one of the reasons why we decided to introduce new legislation and not tamper with and not try to amend the existing Act.

Clearly, then, the Regional Services Authority, Mr. Speaker, as we have the Act and Legislation written, gives total authority to the municipal councils involved. By way of example, if we had four towns or a combination of towns and cities, it does not matter, in a particular area wanting to provide a service on a regional basis, and I will use a waste disposal site as an example, then they could ask the Province to set up a regional services board, or help them set up a regional services board; it does not have to be with the Province's direction, they can initiate the setting up of that board and then appoint to the board, and in my simple example of four communities, perhaps you would have two councillors per community or a mayor and councillor, it does not matter, per community, with an eight member board, perhaps two from each municipality, with only the chairman being appointed by the Province. That clearly gives the total authority to the councils, eight people versus a chairman. Obviously, the eight councillors or mayors could easily out-vote the chairman on any particular issue, and that was the intent of the legislation. The intent was not to have it provincially or Municipal Affairs driven, the intent was to have it driven and operated by the councils involved who have the responsibility for the delivery of that particular service on a regional basis.

Again, the appointment of the chairman was a matter, I believe,

that was addressed by many of the councils in the hearings, the fact that the Minister through the Lieutenant-Governor in Council would have the authority to appoint a chairman. Whenever I have been asked about this, my answer has been that there is no particular hidden agenda on that item, it is simply that we have had situations where we wanted to appoint chairmen, and I will give as a good example of this commissioners who were appointed in the amalgamation process, the feasibility hearings, where we could not always get councils to agree on a person who would act as a commissioner representing the councils involved, so I had to, as the Minister, appoint someone on behalf of those particular towns. The same thing could occur where any number of councils are forming a regional services board and cannot agree on someone as a chairman.

I would foresee, at least as the Minister presently in this capacity, consultation with the councils as far as the chairman is concerned. I cannot imagine where in a particular area of the Province the Minister would want to simply unilaterally and arbitrarily walk into a particular area, or, in fact, respond to a request for a regional services board, and just simply appoint a chairman. Most likely the Minister would not know every region of the Province well enough anyway to just pluck a chairman from amongst the various towns or cities involved, capable of administering and chairing that particular board.

An Hon. Member: What if they do not want the board?

Mr. Gullage: We are talking about

a situation where they want the board, so they have initiated the board involved.

Let me speak to the other situation, where we may have areas of the Province - in fact it is a good question - where a board has not been requested necessarily by the councils involved. An example of that might be the St. John's Metropolitan Area Board, which is presently in existence. So the problem we have in this particular area is phasing out the existing board over a reasonable period of time. And I would think, because of the assets that are in place, certainly there would have to be a phase-in phase-out period for existing boards. We do not have too many of them, but certainly the St. John's area board is presently in existence, a legalized municipality, a formalized legal entity operating as a municipality with the powers of a municipality. The Province would certainly want to have a large part to play and a lot to say as far as the phasing out of the services and the assets that are provided by the St. John's Area Metropolitan Board is concerned, because we have some \$110 million to \$120 million of assets in place that would have to be phased out of the existing structure into the new regional services board, with the change as we see it in the legislation. So, then, we would want to have, I think, a fair amount of say in who that chairman might be who would be responsible for that new board, given the fact that the assets are considerable.

In most cases though throughout the Province I would see that some ninety-odd per cent of boards that would be set up in the future would be because of an action

initiated by the councils involved. I cannot imagine that too often the Province, unless there is a peculiar reason for it, would want to be setting up regional services boards by way of the Province initiating the set-up of these boards. I would think most of the time they would be set up because councils would see a particular need for a service. It would probably start with one or two particular needs, and I can use a recreation facility, perhaps a water supply, waste disposal site, whatever, and then would initiate and would ask the Province to assist in setting up a regional services board to operate these particular facilities so that they, in fact, as a group of communities could cost-share.

Mr. Speaker, the present legislation, the present Act, as I have mentioned already, says that members of a particular board need not be elected. I think that is a key point. We are insisting with the new legislation that they would be elected from amongst councillors represented on those boards. I think that is a major change. It is a misunderstanding from what I have seen of the public hearings, because I think a lot of councils throughout the Province and in Labrador presented briefs saying, in fact, that the Government should not be appointing people who are unelected. Well, in fact, we do not intend to. The legislation says quite the contrary, that they will be strictly from amongst elected mayors and councillors.

The present Act, as well, provides for mandatory staff requirements. Now, we felt that may not be necessary in a lot of locations. In fact, one council I can think of at one of the hearings made the

point, why would they not be given the authority to, in fact, administer the affairs of the board themselves? There may be a particular council of any number of councils involved in the board which would have the capacity and perhaps a relatively good staff on hand that could take on the services of the board in question, the administration of that particular board, and cost it out to the communities involved without setting up another bureaucracy in the board offices themselves.

So, we have made that change and we have said that there is no mandatory staff requirement. That does not mean, though, that does not preclude a particular board, particularly if it is of any size, and again the St. John's regional area would be a good example. The metro area in our immediate vicinity here might be of such a size, with enough services, that it may require some staff and they may, in fact, do just that. Metro Board, as we know right now, has considerable staff and would require a continuation of a lot of those staff to manage the water supply, just for one quick example.

So, no question, they could go either way, depending on the services provided, the scope of the communities involved, the amount of services provided, and the need for staff depending on the region we are speaking about. So there are no mandatory staff requirements, but, yet, staff could be involved if the councils involved so wished.

The existing legislation gives the regional councils the powers to expropriate land. We have taken away that authority under this particular Act, and we have said

that the councils would not have the power to expropriate lands, and that would have to be done by way of the Province becoming involved through an action initiated by the councils.

So we have clearly set this legislation up and proposed this legislation in a way that it will be driven by the councils. And rather than seeing a regional authority, often confused with a regional government, and this is not the intent at all, sit on top of a group of councils, if you can picture a regional authority or board sitting below regional councils, that is the full intent of this legislation, where, in fact, any number of councils would provide direction and would have to be consulted by the board involved on any particular service that it wishes to deliver. In fact, all services it would deliver would have to be initiated in the first place, although I am sure a board could make suggestions, it would have to be initiated and I am sure it would be, particularly in the first instance, when the board is being set up by a council or councils in a particular area.

Approval of the boards' budget. Again, the present Act requires that the Minister approve the boards' budget. We have removed that requirement because we do not want to be involved in the administration of these boards to the extent present legislation allows us. We want these boards to be, as I said, council driven so that any budget approval would have to be approved by the councils involved and not by the Minister. I think that is an important change, because it removes the Province from any involvement in the day-to-day

activities and providing unnecessary interference, if you like, with the operations of that board, and clearly gives the responsibility to the councils to make sure that they are operating within budget and being fiscally responsible. Because, of course, the operations of any given board would fall back on the councils responsibility-wise and that is the way the Act clearly reads.

Another change in the Act is that the regional councils would have the authority to assess service charges based on property tax criterion. We have removed that provision from this legislation. It does not provide for a property tax base for assessing user fees. So what we have said, in fact, is that we would leave the jurisdiction of property taxes and the normal collection of revenues to the towns and cities involved, and that we would leave the regional services boards with the mandate and the authority to assess user fees based on the service being provided. And as I gave the example earlier, of course, that could be done either on a per capita basis or on some other rationale which would fairly see the communities involved pay for the services we are speaking about on a fair basis as determined by the councils and by the board.

No doubt, of course, for the first little while, I would say, it will take some months and perhaps years for the mechanism and the operation of these boards, the rationale behind them, we would have to work, I would think, as a Province, and particularly as a Department, with the councils to see that the proper rationale is set up, the proper operation is put in place and, indeed, that the

councils would understand the operation of the board, vis-à-vis the councils themselves. And the important factor would be that they would distinguish between duties they would want to leave within the councils' jurisdiction and services within the councils' jurisdiction, versus services that they would want to provide on a regional basis co-operatively, and sharing on whichever basis they decide.

Mr. Speaker, we may have situations, and this is where the point is made that yes, the Province could initiate in certain areas the formation of a regional services board or authority, and that may very well be the case. Without using any examples, we have communities in the Province now that have within them a facility such as a stadium or a swimming pool, or any facility that could be deemed regional in nature and used by more than the community involved. The Government may decide in its wisdom that a regional board would be the answer as to putting in place a body that would see that cost-sharing would take place between any number of communities.

Now we have checked across Canada because regional boards, of course, are in place in some shape or another in every Province, and we have checked with other Provinces on a regional government basis and on a regional service board basis, because there is a distinct difference, obviously, and we have discovered that in most cases if a community and its people are in proximity to a service that is provided regionally, they have to make a case for opting out of a service. Otherwise, they are included within the framework as far as

cost-sharing is concerned.

A case can be made, for example, for opting out if you have access to a water supply and a water source that is providing the needs of your town. And it would be very difficult then for a regional services board -

Mr. Simms: Mr. Speaker, on a point of order. A quorum call, please.

Quorum

Mr. Speaker: The House has a quorum.

The hon. the Minister of Municipal and Provincial Affairs.

Mr. Gullage: Thank you, Mr. Speaker. The point I was making concerned opting-in and opting-out provisions as they exist across the country as far as regional governments are concerned, or regional services authorities, and I used the example of a water supply where, if a group of communities were coming together to form a regional services board for the purpose of accessing a water source which was not presently existing in a given region - the source may be existing but they were not accessing that particular source, better put - then a community, normally, in other jurisdictions across the country would have to prove that they should opt out and should be left out of cost-sharing in that particular water source and the costs involved in accessing that source - trunk lines and pumping stations, and whatever else is involved.

And that would be very easy to

make a case for if that community had a water source already in existence supplying the people of that particular town or city, and the water source was adequate and they know they would not need in any way to access the source that was being provided for the new regional board, and being used by the councils involved in that board.

So they would in fact opt out and not pay any share of the water source, or of the costs involved in setting up that particular source. The trunk lines, piping stations, chlorination and whatever else is necessary, they would, in fact, opt out of that particular service.

On the other hand, there may be a situation where a regional recreation facility was being set up in a region of the Province and, depending on the criteria involved - distance is normally the criteria used, the ability to access the facility, how far away people are from the facility, how far the location of the various towns in the region is from the facility. It is usually done on the basis of distance, distance determining what the per capita share would be for a given municipality. Those who reside the furthest away would probably pay a lower percentage of the per capita cost versus those who were in the immediate community, with the facility at hand and close by, who would probably pay the full 100 per cent per capita cost.

Now in that example of a regional recreation facility, if a community and its people are within a reasonable distance, and depending once again upon the criteria, let us assume it is within a half hour driving

distance just as an example, and a certain mileage distance and the people are within that framework and that criteria, then it would be very difficult to make a case to opt out of some sharing of the cost, I guess the cost of building in the first instance. If that was the case, and it usually is, particularly in the future, whatever share the regional services board and the member communities would have to bear of the cost of construction, it would be very difficult to opt out of that particular share if the community involved was within a certain time frame driving-wise and within a certain distance, and I would not think they would be allowed to opt out as far as the legislation is concerned.

That would provide for a far different situation than we see now. Almost everywhere in the Province we have recreational facilities in place which are being accessed by more than the people in the immediate community where the facility is located, and the facility, whether it be a stadium or a swimming pool or whatever is paid for and maintained and staffed and so on strictly by the people and the taxpayers of the community wherein the facility sits, but there is no contribution from the surrounding communities that in fact use the facility on an ongoing basis. So this legislation clearly provides that in a case like that the minister, and the department through the minister, could insist upon a cost-sharing arrangement by way of a regional services board. I think that would be a very positive step.

In fact, in my discussions with the Federation of Municipalities and with many of the towns, many

of which have these facilities right now and have been complaining for years that there is no way to cost-share, no way to have other users pay their share, are welcoming this legislation in that it would give them a way of cost-sharing to cover the ever-increasing costs of staff and maintenance of these buildings which are, needless to say, increasing every year.

Mr. Speaker, I want to go quickly back to a point I raised earlier about the fact that we now have provided in the legislation for the use of user fees, user fees by way of a per capita sharing or some other rationale that could be arrived at, depending on the service involved, so that the communities could in fact share in the cost of operation and maintenance of a given regional service. The other thing that should be said is that the other source of revenue that is clearly available to each regional authority is the revenue that is being derived from the various municipalities which are partners in this regional services board.

The regional services board still has access through its member municipalities to property tax revenue, business and industrial tax revenue, poll taxes, and whatever else happens to be available through the municipalities which are partners in the board, because, as I stated earlier, the clear intent of the legislation is that these boards would be operated by, driven by, and responsible to the communities which are partners in the board.

Mr. Speaker, another point that should be made is with reference to one of the clauses of the Act where it states that a board may

borrow money for current account purposes and the indebtedness of a board incurred as a result of borrowing an amount under Subsection 1 shall not exceed 20 per cent of its estimated revenue, grants in lieu and other assured revenue other than water and sewerage subsidies paid by the Province to the board in the financial year in which the borrowing takes place.

Mr. Speaker, I do not think it is any great secret, and certainly it is not to the Federation of Municipalities because we have discussed it on many occasions, that the present cost-sharing arrangements as far as capital debt is concerned are less than desirable. We have communities in the Province, a lot of communities in the Province in fact, not paying their fair share, because once they hit 20 per cent of fixed revenues in debt, they are not expected to pay anymore towards the debt costs that are incurred by that municipality. We are obviously going to do something about that particular item. And even though this is clearly stated in the Act now, I can see an amendment forthcoming in the future. We cannot, obviously, deal with this now, because what we currently have is as it reads.

But we are in the process now, and getting close to a conclusion, of reviewing the municipal grant structure in the Province, the way we assist communities throughout Newfoundland and Labrador with their revenue, with the operation of their towns and cities by way of conditional and unconditional grants. We are getting close to a conclusion now, whereby we will see enacted a new grant structure which will be much, much fairer than the one we have now.

In fact, we now have a situation where there is really no addressing the disparities between communities. All of you know, of course, because you represent districts in rural Newfoundland or in urban Newfoundland, where you have - well, some of us, of course, represent districts which are strictly urban, but a large number of the districts throughout Newfoundland and Labrador are both urban and rural in nature and have a mixture of communities that are different.

One category would be a group of communities that would have an industrial and business tax base, a residential tax base, and would be relatively well off in comparison to communities at the other extreme, which might be very small in population, usually small in population, because a community very rarely grows to any size unless it has an industry, a business, or is a service center for a particular region, or whatever. Very rarely does it grow without that advantage. So, usually, at the other extreme, we see communities with strictly a residential tax base and no other opportunity to raise revenues.

So if they are wanting to access a service such as water and sewer, the only contribution they can offer in partnership with the Province, or toward the Province's contribution, which is normally a very large percentage of the debt, the only thing they can offer, really, is a very small residential tax revenue. I do not need to tell many of you who represent rural districts how difficult it is to deliver water and sewer services in a lot of our communities. We have 500 communities in this Province which are in that category, and I am

including now both the towns and cities and the local service districts. We have some 530 I think the figure is, 500 of which have populations of less than 2,500 people.

We have only thirty-two communities in all of Newfoundland and Labrador which have populations greater than 2,500, which may be surprising, thirty-two only. And if you take urban in the sense of population and whatever - I know you cannot always, urban normally means an urban setting if you like, St. John's, Mount Pearl, Corner Brook, whatever - but if you take 2,500 at least as a factor to define urban from rural, which the Federal Government I think generally does, then we have only thirty-two communities which are relatively well off in the sense that they have 2,500 or more in population, which would also suggest that to grow to 2,500 or more they had to have a reasonable tax base, a reasonable amount of business and industry and so on other than just a residential tax base; they had something going for them in the beginning, and, of course, throughout the centuries, in many cases, to grow to that size, maybe it was a fish plant, maybe it was a paper mill, whatever.

But the real concern we have is making sure that when we restructure our municipal grants and our debt-sharing arrangements, that we are fair. We have to be fair, but that does not mean we have to stop supporting the communities that are well off, far from it, because they have needs which are peculiar to being in an urban setting: replacement of streets which have continuing traffic flowing through them,

municipal infrastructure, water and sewer lines which have been in the ground for years and years and are in need of replacement.

But we have communities in the other group of which I spoke, the 500 if you like, other than the thirty-two, many of which do not have water and sewer services at all, or very little as far as modern water and sewer services are concerned. So the need is there to come up with a grant structure which addresses the disparities between communities at one extreme, which have no revenue available to them and no foreseeable way of having any revenue available to them, except for a residential tax, or a poll tax, or both. The grant structure has to speak to that, and that is the other extreme from the communities that have everything going for them in a lot of cases, business tax, industrial tax, residential tax and so on.

Then we have communities in between, which fit into neither category, and their needs have to be addressed in a special way, as well. I believe the grant structure, as we will see it eventually put in place, will speak to the disparities between the communities in the Province and allow us to provide services and debt-sharing arrangements, particularly on water, sewer and roads, which is the main area we assist as far as providing services are concerned, and the debt which flows from it, a fairer way of sharing in that debt between the Province and the municipalities, keeping in mind the fiscal capacity of the communities of which I just spoke.

Wherever possible, Mr. Speaker, it is important that we have

co-operation between communities in the Province if they are in close proximity to one another, so I am going to raise the magic word amalgamation. I know you would be disappointed if I did not. It is important we have co-operation. Now, obviously, the best way to have co-operation is to be together. The second best way is to work on a co-operative basis and stay apart. So I would think, wherever possible, amalgamation take place if we have communities in close proximity to one another. Of course that was the rationale in the beginning, when we started the amalgamation process.

We identified 170 communities, and I think there probably could have been more, but certainly 170 communities were fairly easily identified, and within that 170 were various groupings which had boundaries that were in close proximity, or, in fact, were adjacent, were common one to the other. And those communities, we thought, would be better off, for a litany of reasons, coming together and sharing services on a formal basis. The main reason, obviously, is a planning reason. If you have two, three, four or five communities all with common boundaries and all in close proximity, all doing their own thing, all planning separately one from the other, you end up immediately with a duplication of services, a duplication of effort and a waste of money. Some cases in the Province will obviously still exist, because we have not corrected the problem as yet. We have communities competing with one another for water and sewer services often unwilling -

Mr. Speaker: Order, please!

It being 4:00 o'clock on Thursday afternoon, I want to inform hon. members of the Questions for the Late Show. Question 1. 'I am not satisfied with the answer given by the Minister of Finance to my question I directed to him yesterday, October 31.' That is the hon. the Member for Trinity North.

'I am not satisfied with the answer of the Minister of Works, Services and Transportation to my question on Wednesday, October 31.' The hon. the Member for Kilbride.

'I am not satisfied with the answer given by the Minister of Works, Services and Transportation in response to my question on the Change Islands - Fogo Island ferry service.' That is the hon. the Member for Fogo.

The hon. the Minister of Municipal and Provincial Affairs.

Mr. Gullage: Yes, Mr. Speaker, I was saying we often have communities in close proximity to one another, or with common boundaries, competing with one another for services. Time and time again I see examples of communities wanting to access a water source, just to give you an example, and unwilling to co-operate to the point where each community wants its own water source; there may be a pond nearby or whatever it happens to be, usually it is a pond nearby, and they want to access different water sources. It is incredible, but that is true. Whether it be water and sewer, or whether it be roads or fire services, the cost of any service nowadays, and I mentioned earlier water and sewer because it is by far the most costly service we have to provide,

whatever the service happens to be, the costs are not going to get any less. We know we have a \$2.5 billion problem in the Province right now with water, sewer and roads. I am just talking about roads within communities now. We can get onto the roads within my colleague's department, the Minister of Works, Services and Transportation and talk about those needs as well, but certainly within the communities, water and sewer and roads, we have a \$2.5 billion problem. We know those costs are not going to go down, we know we have a serious problem. We have to address these needs as best we can. And the Province, obviously, is doing its share. I think over the last two years, since we have become the Government, we have increased capital works dramatically. Last year we spent \$62 million on our municipal capital works.

Some Hon. Members: Hear, hear!

Mr. Gullage: Mr. Speaker, we still have a long way to go. There is no question that the municipalities have to find ways to pay their share and be more cost effective than they are now. And the best way to do that, if there is any way possible, is to come together. Now, I am not suggesting that be applied on a ridiculous basis, where we would ask communities to come together which are several miles apart, but we do need them to come together if they are in close proximity, and they are able to join together and become a new municipality with the strength that that gives them.

An Hon. Member: What a minister! What a minister!

Mr. Gullage: It avoids the competition. It makes for more

cost-effective government from a municipal standpoint, it facilitates the planning process, which is the most important reason we are doing this, so that rather than planning in isolation they are planning together. And I just do not mean planning for municipal services. Sometimes we think of a community and we think about the basic raw services of water and sewer, and roads, garbage collection and so on. We forget everything else that happens in a community. We forget about culture sometimes, we forget about recreation, we forget about the museums, the libraries, and the list goes on and on. Obviously, you can better provide any service you can think of within a community if you have a bigger population.

Let us think about some of the communities we have in the Province with populations of less than 500. Most of our communities are less than 500 in population. Now, I know that is not a shock to any of you. Can you imagine 500 or less in population? We know that with that number of people very little service of any kind can be provided. In checking across the country, with other Ministers, I came up with the figure of 1250 people being necessary to run a municipality on a bare-bones basis. To do anything at all, you need 1250 people. That is just to be able to have a Town Clerk, to have a piece of equipment or two, to run a small town hall, to do a little garbage collection. To provide the most basic services, 1250 people is the common denominator across the country. It varies province by province, but that is the figure. We have the vast majority - I knew the percentage. It is certainly more than 50 per

cent. I think something like 60 per cent of our communities have less than 500 people, which is an incredible number of communities.

Now, think about it - 500 is nowhere near 1250. So, obviously, we should bring together as many as possible on a formalized basis to form new municipalities to better govern themselves, and to better provide services on a cost-effective basis in co-operation with the Province. Obviously, it is going to take decades to see the municipal level of Government, which they would love to be, autonomous, self-governing, on their own, being able to support themselves without provincial help. We are a long, long way from that, to say the least, as much as the municipalities and the Federation of Municipalities would like to see autonomy, self-government, leave us alone, let us be a separate level of Government, and so on and so forth.

That rhetoric sounds wonderful, and I remember saying it myself when I was on the Federation. My colleague for Placentia can remember that we all said it when we were involved with the Federation of Municipalities. It sounds wonderful, it is idealistic, and it would be great to achieve, but I can assure you, from what I have seen, that we are a long ways away from it. So into the immediate future, for a reasonable period of time, Mr. Speaker, as a Province and certainly as a Department of Government, Municipal and Provincial Affairs, we will have to work in partnership, that is what it is going to have to be, with the municipalities throughout the Province, particularly where the real challenge is, in rural

Newfoundland. And when I say rural Newfoundland, I mean communities with populations of less than 2500 people. I am not suggesting, but I happen to know that those of 2500 and more are relatively well-off, believe it or not. I have looked at every single one of them, looked at their tax base, looked at their expenses, looked at their administration, their planning ability, so on and so forth, and they are reasonably well-off vis-a-vis the other group.

I can look around this House and I can see many of you here now who have districts which do not have one municipality within those districts which has 2500 people within a municipality. Bellevue District does not have one municipality with 2500 people, and I can think of many others. Twillingate District and St. Barbe District are entire districts that do not have one municipality with 2500 people in a given community, so they are strictly rural in nature.

An Hon. Member: What are you going to do about that? Are you going to give them more money?

Mr. Gullage: The Grants Program we are going to be introducing will speak to that.

Some Hon. Members: Hear, hear!

Mr. Gullage: Mr. Speaker, if we cannot achieve amalgamation, and that is obviously the best way because then communities are formally together; we have brought them together. They are a new community with one council, with one municipal plan. When they go to the Province for assistance they go in concert, they are not going in competition. If we

cannot accomplish that, the next best thing, obviously, is regional co-operation. It has to be.

So, let's assume we have accomplished all the amalgamation that needs to be done in the Province - that is about 170 communities. Let's say we brought them down to 60. The current initiative involves 110 communities coming down to 42, correct? So, let's assume we did all the amalgamation that was possible of communities with adjacent boundaries and we accomplished all of that, that would still leave us with situations, believe it or not, where even those communities now amalgamated have neighbors reasonably nearby, within a few miles perhaps, who would want to share. Maybe they would want to get an incinerator, a good example to all of you. All of you, I would believe, would have situations where you have communities which are sharing in the cost of incineration services with the Province, on a cost-sharing basis. Well, this Bill speaks to that. This enables a group of communities - and hopefully the group of communities, by the way, involved in these regional services boards are regionally large, whereby they have good management behind them, they have a reasonable number of people. The larger the community, in fact, the better these boards, in my view, would work. So, the need for amalgamation, in the first place, is to make a community large enough so that it would have good representation. Because, obviously, the larger the population you are drawing from - and I do not think anyone will argue - to elect a person, the better the chance of getting the better person. I think that is

pretty good logic. So, if you bring together three communities of, say, 800 people each, and now you have 2,400 people and you are only going to elect one council rather than three, chances are you will get a better council.

Now, if that is the case and we do a reasonable amount of amalgamation, and then those amalgamated communities in many cases will form regional services boards, those boards will have councillors or mayors from the councils representing those councils on the boards. They should be strong boards. We hope they are. Because the misunderstood intent, no question, because from what I have heard about the hearings that were held throughout the Province, many of the mayors and councillors who presented briefs made the point that we wanted these boards to be Provincially driven. That is not the case at all. Clearly these boards would be driven by the councils. I mean, you cannot imagine a board with eight, ten or twelve people, whatever it happens to be, with strictly mayors and councillors comprising that board, with only the Chairman - even if the Minister never even consulted the councillors and appointed the Chairman, if you have eight councillors or mayors versus one Chairman appointed by the Minister, surely to heavens that Chairman does not have authority over that board; he is far outnumbered by the councillors who are represented on the board and represent the number of municipalities in that particular regional authority. So, clearly that is not the intent.

But I can understand the confusion. Because what often happens, I believe, in a hearings

context, in this particular case anyway, where you are talking about an existing piece of legislation, where we have an Act in place now, often the provisions of the new Act get confused with the provisions of the old Act. And under the previous legislation, there is no question about it, the Province appointed a large component of the board, and had the authority to appoint a large component of the board. We do not intend to continue with that authority under this particular piece of legislation. We clearly want the councils to appoint the boards which will serve their councils and will, in fact, report to these councils. That is a clear distinction.

I started earlier to talk about a difference in that, and I just want to continue on with this point, where the Minister in some cases may want to have the authority, and does have the authority under this particular legislation, to set up a board in a given region of the Province where the need is there for that particular board, and the initiation and the start-up of that board has not been initiated by the councils involved; they have not come forward and said we want to set up a recreational facility, or we want to access a water source, or we have a recreational facility, whatever it happens to be, and we want to come together with a board to help with the construction and the maintenance and so on. It is not a circumstance like that.

There may be a circumstance, and this is where the Bill again came in for some criticism in the hearings, where the Minister wants to initiate the set-up of a board

because of the importance of having a board in a given region and the importance of having a group of communities, whether it be two or three or four or five, share in a particular service because of the unfairness of not doing it. Sometimes there is a reason for a government to take action in the best interest of the people, even though it has not been initiated by the people, and governments often do that. So this legislation is important. There is no question we will have situations where again, the best example of all being a water source, we may decide as a government, the minister may decide, this minister or some future minister, that we want to have a water source established in a given area for three or four or five communities and that it is more cost effective for these communities to tie into that one source rather than to try to do things in isolation. They may be resisting it. They may say no, we do not want to do that. We want to access separate water sources. In many parts of the Province, as you know, in close proximity to any number of communities, you can find a dozen water sources. And we have some others, of course, where you cannot find any and we have problems with having to drill artesian wells and all the rest of it. But we have many parts of the Province where you can access any number of water sources. And often communities all want their own source. You know, everybody wants a separate water source.

The minister today may decide that one water source is adequate, and that they are all going to co-operate and pay their fair share for this one source. Government is going to cost-share of course, because, as I mentioned

earlier, we are a long way from seeing all our communities provided with fresh water and good sewerage facilities, a long, long way. We may decide in the best interest of the people of that particular area, and certainly from a cost-effectiveness standpoint, the fact that we do not have an endless amount of money, that we are going to do things as we are doing now; we are prioritizing it, we are trying to keep cost down. We are probably going to insist, look, you are going to come together. We are going to cost-share in this particular water source. We are going to help you with construction of the trunk lines and the pump houses, or whatever happens to be necessary, and we will pay our share and you will pay yours. But the cost-effective way to do it, Mr. Speaker, is together. So we may decide in that case that we are going to put in a regional services board. Now we initiate the board in that case, and I think rightfully so. Some of the boards which are in operation right now, by the way, we are just going to formally set them up properly by way of making them legal entities, corporate entities, with an ability to borrow money and so on.

Most of the boards of the future, I would suggest, Mr. Speaker, are going to be initiated by the councils in a given region. I do not think there is any question about that. The rare circumstance, the vast minority of the circumstances will be initiated by the minister. Because most of our municipalities, as we know, co-operate on the greater number of services, and in a greater number of regions in the Province, I would suggest that we have

co-operation.

We do not have all the amalgamation done we would like to see done, but it is early in the day yet. It is not over until it is over - is it? - somebody once said. We have a great number of communities, even though they are not formally amalgamated if you like, sharing services.

So, the fact that they are sharing services now means that whether we bring them together formally and amalgamate them per se into a town or they stay apart, they can continue to share services. And I think they will continue to come to the Province and say, We want to share services; we have a particular service, or maybe several services. The St. John's area, for example: The St. John's Regional Services Board will probably end up with its member municipalities, however many it might end up being - let us say it is six, for example - sharing as many as a half dozen or more services. I can think of water, fire protection, recreation, culture, whatever. There is any number of things. And that is true in many, many areas; Grand Falls-Windsor, Bishop's Falls obviously will want to share in their water treatment plant ultimately, I would hope.

So many, many areas that are sharing services are simply going to formalize the arrangement they have in place now, where they only have a board that is struck but is not legal, does not have a corporate entity. We will formalize that particular arrangement.

Mr. Speaker, in conclusion, I would just like to say that I think this is an important piece

of legislation. I think we have brought in the right changes. We have brought in a new Act, and I think the Act speaks very well to the needs throughout Newfoundland and Labrador. It is one of the most important pieces of legislation I will ever introduce in this House as a Minister and, Mr. Speaker, I hope it gets final approval. Thank you.

Some Hon. Members: Hear, hear!

Mr. Speaker: Before recognizing the next member, on the Opposition side, I wonder if hon. members would now want to revert to the item of Reports and Committees, where Your Honour said he would reserve his ruling, if I could do that.

First of all, I want to say that I reserved the ruling based mainly on the fact that in the submission of their case, the Opposition said it had been a precedent of the House to allow a minority report to be presented in this way; and the Chair was not certain whether there was, or not. I remind hon. members, of course, that to say something is a precedent of this House does not mean that it is. Hon. members should, in future, be able to quote examples of where it did take place.

Well, the Chair did research and I cannot find anywhere where this case today was a precedent of the House. I can only find that it is done in accordance with, in addition to those quoted by the Member for St. John's South, another quotation from Beauchesne, 455, I believe it is - hon. members will know I have quoted it before - that no private member has the right or the obligation to present any document, official or otherwise. I can find no

precedent in the House, so I rule that the hon. member was not permitted to present his minority report in the fashion indicated.

Also, since I am making rulings, the Chair would also wonder if the House would just permit another ruling on the point of privilege, and we can get that out of the way.

I have ruled so many times that a point of privilege is rarely brought up in the House, because in order for a point of privilege to be a point of privilege, the member must clearly state and show that his parliamentary duties were breached.

I quote Maingot, Page 190: "A dispute between two members about questions of fact said in debate does not constitute a valid question of privilege because it is a matter of debate."

Further down the page it says, "An allegation of misleading the House" - and that was the basis of the hon. member's point of privilege - "An allegation of misleading the House is not out of order or unparliamentary; nor does it amount to a question of privilege. However, an admission by a member that he misled the House would constitute a matter of disorder, and an admission of deliberately misleading the House", of course, would constitute a matter of contempt. So I rule that the hon. member did not establish a prima facie case.

The hon. the Opposition House Leader.

Mr. Simms: I would just like to rise on another point of order, since there are only five minutes remaining, anyway, and our next speaker would not have much of an

opportunity.

I would like a ruling from Your Honour, if I might, related to the point of order you just ruled on, concerning the tabling of a report done by one of our representatives on the Committee. He was not permitted to do it at that stage. I would presume it would be quite in order for a Member speaking, if he refers to such a document, that if he wishes to table it he may table it. I would assume that would be perfectly in order. Is that correct?

Some Hon. Members: No!

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

Mr. Simms: What do you mean, no?

Some Hon. Members: (Inaudible).

Mr. Baker: We would ask the indulgence of the House, just for a moment. My understanding is that the report should be presented to the House. Okay? There is only one report - this is made clear in Beauchesne - in this case made up of two sections, a majority report and a minority report. But what I want to go on to say, Mr. Speaker, is that in describing how we envision the committees to work - and I thought with the understanding of the Opposition House Leader - my understanding was that the report of each of the committees, and this is something, perhaps, we need to settle, that the committee reports as they are available would be presented in detail to the House during the committee stage and debate of the bill.

In other words, the majority position of the committee, whether it be unanimous or majority, would

be presented by the committee chairman. If there then happens to be a minority report during that committee stage, the Vice-Chairman would then present a minority report on behalf of, and so on, and that the full debate would take place during the committee stage.

I understand the hon. Member has a problem with the principle which affects the second stage debate, the second reading debate. Is that correct?

An Hon. Member: (Inaudible).

Mr. Baker: The hon. Member has a problem with the principle, in which instance, obviously, during debate on second reading, the hon. Member could raise the difference in principle that he has. So I suggest that it would be quite in order, Your Honour, for the hon. Member to raise the points he has there, which affect the principle of the Bill, in second reading.

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

Mr. Simms: My point had nothing to do with that. I simply said that if a Member reads from something, he may table it. I suspect that is still acceptable.

Some Hon. Members: No!

Mr. Simms: That is all that I asked - if you read from a letter or anything else.

An Hon. Member: No!

Mr. Simms: Well, we will hear what the Speaker says.

Mr. Speaker: Order please!

The ruling again, in Beauchesne,

is that a Member has neither the right nor the obligation to present a document. That is the ruling.

The hon. the Member for Harbour Main.

Mr. Doyle: Mr. Speaker, I am pleased to have a few words to say on this bill. Some of the recommendations that were made in the minority report include to amend Section 3 -

Mr. Walsh: On a point of order.

Mr. Speaker: Order, please!

Mr. Speaker: A point of order.

Mr. Walsh: There are terms being used in the report, talking about presented. There has been no minority report presented in this House, there is no minority report that exists with respect to this House.

Mr. Simms: He didn't say there was.

An Hon. Member: There is no point of order.

Mr. Walsh: So, Mr. Speaker, to refer to that document is just not correct.

Mr. Speaker: There is no point of order. The hon. the Member for Harbour Main, is he speaking to a point of order?

Mr. Doyle: No, Mr. Speaker.

Mr. Speaker: What is the hon. Member on?

Mr. Doyle: I am speaking in the debate on Bill 38.

Mr. Simms: You just recognized

him in debate.

Mr. Doyle: So, Mr. Speaker, I was very pleased to have been a Member of the Committee and some of the recommendations which I am reading from here now were to amend that we, my co-member on that Committee, the Member for Kilbride and myself -

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

I am asking the hon. Member what he is now doing.

Mr. Doyle: I am speaking in the debate, Mr. Speaker.

Mr. Speaker: But the hon. Member is presenting reports.

Mr. Doyle: No, no. No, Mr. Speaker, I am speaking to Bill 38.

Mr. Speaker: Oh, on the debate of the bill. Is that it?

Mr. Doyle: Yes.

Mr. Speaker: Yes. So we have gone to Orders of the Day now, have we? The Chair is just not clear where we have gone now. If someone could clarify?

Mr. Baker: Maybe if I could straighten it up, Mr. Speaker. His Honour had reverted back to rulings and had not yet gone back. His Honour had not yet gone back to Orders of the Day and, therefore, His Honour was confused because he knew what was happening and Members did not realize that. But, Mr. Speaker, it is time for the Late Show, and the hon. Member can start next day.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Order, please!

Mr. Simms: Mr. Speaker, to a point of order, before the Late Show proceeds.

Your Honour has now said that he has not recognized the speaker on this side in the debate on the Regional Services Bill, is that correct?

Mr. Speaker: What His Honour was not clear on, where I had made my ruling, I thought a point of order had been on my ruling -

Mr. Simms: Yes, I know that.

Mr. Speaker: - and did not know that we had reverted to Orders of the Day.

Mr. Simms: So you have not recognized the speaker on this side to the Regional Services Bill yet, is that correct?

Mr. Speaker: That is right. That is correct.

Mr. Simms: Well, that is better.

Debate on the Adjournment
[Late Show]

Mr. Speaker: It is Thursday and 4:30, the Late Show. I do not have the order of questions, but I expect Members of the Opposition do.

The hon. the Member for Trinity North.

Mr. Hynes: Mr. Speaker, yesterday in this House I asked the Minister of Finance, after a preamble to a question, a very direct and sincere question and I expected at least some sort of a reply.

The reply I got was not to my satisfaction, and it is certainly not to the satisfaction of the sixteen employees affected by the closedown of the taxation office in Clarenville, nor is it satisfactory to the councils in the area, or the Chamber of Commerce, or anybody else.

I asked the Minister of Finance, and I will quote it from Hansard as of yesterday: 'I want to ask the Minister of Finance if he would table in the House all the information he has available to him which would indicate a saving of \$250,000', and that referred to the closing out of the Department of Finance taxation office in the community.

The Minister's response, of course, was a two letter word; probably a four letter word would have been more acceptable to the people in the area, but he just stood in his place and he said, no. And, Mr. Speaker, he cannot table that information. I would assume that all types of information were made available to him with regard to the savings. I am sure he just never pulled an office out of the air and said we are going to close this one, so he must have some information which is going to indicate that there is going to be a tremendous savings in the department.

That is all I have asked him to table. Let us look at it. And if the information indicates that it will save \$250,000, I, as a member and the MHA for the district, in these tough economic times, will go along with him. But I doubt that he can prove to me that there will be savings, any savings, by relocating the office of the Department of Finance.

Clarenville has been recognized, Mr. Speaker, has been long recognized as a geographical as well as a business centre for the Burin Peninsula and the Bonavista Peninsula. These facts cannot be refuted. Even this Government has recognized that the headquarters of the Eastern Community College should be located in Clarenville, and steps are being taken, I would assume, to do just that; I stood in my place and I have recognized that also.

A new regional office of NewCorp or Enterprise Newfoundland, whatever it is being called, is being set up in Clarenville to entice business into the area. Two different agencies, or whatever, of Government are being located there, and yet they come and take out two very important offices.

Let me give you some facts, Mr. Speaker. First of all, there are not just sixteen employees who are going to be displaced, there are going to be twenty-six, and this is only referring to the Department of Finance, not the Motor Registration office, to which I will come another day.

Twenty-six jobs are going to be lost in total, because ten spouses work in that area. The local office serves 100,000 people, one-fifth of the Island's population. It serves approximately 3,200 businesses. Audits have to be done on 3,200 businesses. It is estimated the cost will be in excess of \$50,000 just to convert the computer files when they relocate.

The space presently being occupied by the taxation office is rented, and it is rented as a lease without an opting out clause until

February 29th, 1992.

Transferring personnel to Grand Falls and St. John's will increase the demand for space in those areas, but, at the same time, most of the employees are going to be on the road travelling. And, of course, there is strong evidence to support the theory that local offices result in more efficient tax compliance and collections, in any event.

I will just give you an example. These are not my figures, this came in today over the fax. I would assume that it came from probably the regional office in Clarenville. The cost of doing audits is going to increase dramatically, and they gave me one example. To do an audit on Newfoundland Processing from Clarenville now costs approximately \$360. To do an audit on Newfoundland Processing from St. John's will cost \$5,400. Now, anybody with a grain of sense knows that in Clarenville an inspector or an auditor can reach any part of the district it covers in the matter of an hour. For an auditor or an inspector to leave St. John's to go to Bonavista, it is going to take them three hours, minimum time. Is he going to leave 6:00 to be there for 9:00? No. He is going to leave 9:00 and he will arrive at 12:00 or 12:30 and then it is going to be lunch time, so he is into 1:00 or 2:00. Then, just as he gets into a business to do an audit, wham-o! the day's business is over.

Mr. Speaker: Order, please!

The hon. Member's time is up.

The hon. the Minister of Finance.

Dr. Kitchen: Mr. Speaker, before

making the decision, the matter of savings was looked into very carefully and I can assure hon. Members that the projected savings are accurate. The personnel costs are going to be minimal, because the people involved are going to be transferred rather than laid off.

An Hon. Member: Are you paying them (inaudible)?

Dr. Kitchen: Yes, there will be some minor relocation expenses. However, the employees have been approached and told what the situation will be. The period of time has been given to them to react and make their appropriate plans and requests and things like that. So, it would be inappropriate for me to say precisely what is going to happen to each person. But early indications are that the costs will be very minimal.

Now, as far as the travelling is concerned, the Member has indicated that there may be some additional costs. Actually, there may be some savings. Because if a person drives from Clarenville to a work situation while on the job and then comes home every night and goes out the next day and comes back again for an audit, which might take a while, we lose not only the mileage, but we also lose the time that he spends travelling. Whereas if he stayed, if he went down to the Burin Peninsula and was going to stay overnight, he would have to pay his hotel and he might actually be able to work a longer day, because he would not be in a rush to drive home at night. So, they have balanced these counteracting costs here, and we have come to the conclusion that it would be an appropriate move.

Secondly, there are a number of efficiencies reduced coming about in the whole tax auditing position, the use of computers and things of that nature, and we believe that this would be a much more efficient operation than we had there before. So, we realize that people do not like to be relocated. I would suspect the Clarendville area will not be hard hit, because of the developments in Hibernia, and we expect that developments will occur. So we look upon it -

An Hon. Member: A thousand jobs for St. John's, right?

Dr. Kitchen: The hon. Member's mouth is going as usual, flapping and saying nothing, Mr. Speaker, as is his custom.

Mr. Windsor: It would be better you said nothing, rather than the foolishness you are going on with.

Dr. Kitchen: I keep remembering the decision to move Motor Registration out to Mount Pearl. Now, that was some saving. That was some saving now, wasn't it?

An Hon. Member: (Inaudible).

An Hon. Member: Yes, he moved it into his own district. Isn't that something.

Mr. Speaker: Order, please!

An Hon. Member: Here is a Member who used Government for his own personal ambitions and it did not work. It did not work. He lost his leadership. And not only did he lose his leadership, Mr. Speaker, when the new leader of the party came in, he flicked him out of his job.

Mr. Speaker: Order, please!

Mr. Windsor: What foolishness, Mr. Speaker. The man should say something sensible or sit down. He is a disgrace to the Province. He is a laugh on the streets.

Mr. Speaker: Order, please!

Mr. Hynes: All I ask the Minister of Finance to do is to table the information. Show us anyhow. Show us in black and white where you are going to save it. That is all I am asking.

Mr. Windsor: (Inaudible) a pile of garbage about as stupid as his Budget.

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

Mr. R. Aylward: Thank you very much, Mr. Speaker. Mr. Speaker, yesterday I think it was, Wednesday, I started to ask the Minister of Transportation some questions pertaining to the statement he made on the cutbacks within his department, and he is familiar with those statements, Mr. Speaker.

Mr. Speaker, he is changing the overtime policy for foremen and supervisors, foremen in particular, who work on the highways during the winter season, giving directions to the operators, snowplow and ice control operators, as to when they should get out on the road, when it is dangerous, when it would be most effective to perform their duties.

Mr. Speaker, the change will mean that a person will be required to work seventy hours in an eight week period before he qualifies for overtime. Out of that seventy hours, thirty-five will be free automatically, free labour, a full

week's work on the general service standards anyway, thirty-five hours, a full week's work free. Of the other thirty-five hours, he can possibly get paid for 10 per cent of it, and then there is a formula for time off in lieu.

Well, Mr. Speaker, this policy does affect other management people in the Province. But, when it affects these people here, the problem we are creating is that a lot of the experienced people, operators in the system for ten, fifteen, and twenty years, who are operators ordinarily throughout the year, mostly for summer maintenance and summer construction, they are union members throughout the year with all the experience of working in previous years being promoted to foremen for the winter season in the Department of Transportation. Now these experienced people were the ones who would get out of their beds at three o'clock in the morning and travel the highways to see if road conditions were safe enough for school children or ambulances or fire control people to be able to travel the highways between six and eight, or nine or ten o'clock, when they would go to work.

Now, Mr. Speaker, these experienced people, the people who should be out doing this work, the people who know the conditions and know what they have to do, right now are going to say, I am an operator anyway. I still have a job. I will stay in my bulldozer. I will stay in my snowplow, whatever it is called, I will stay in my sander, Mr. Speaker, and I will get my overtime. I am not going to take this foreman's job, because it will cost me more money to take that job than it would if I stay

in my job.

Mr. Speaker, what do we have to do then? We have to get some other person to do that job. There are no savings there. You have to hire a new person, someone else. You are not going to get the same experienced people to take on the job. They might like to be foremen for a winter season. There are lots of people out there who would like jobs, I do not disagree with that. But you are going to get inexperienced people doing this essential service. Now this is not just some fellow shoveling salt into the back of a pickup, or checking to see if the dump is up or closed when they are finished with things, this is the person who does the essential job of going out and seeing what the conditions are like and calling the crews whatever time he thinks is necessary. It might be 4:00 a.m. that he might say come on at 6:00 a.m., whenever it is. But the experience of the people who took these jobs before will be lost this year.

Mr. Speaker, that has to create a safety problem on our highways during the winter season. If we have inexperienced people doing the most important job in the whole system, obviously it has to create a safety problem. I do not think that is a great leap in logic. If you are going to have inexperienced people doing these jobs, there are going to be mistakes made until they get their experience; there are going to be dangerous situations created. The same as we had today on the Northern Peninsula, a place that had not its first snow storm today, as the Minister found out when I told him, Mr. Speaker. Last week they had some snowfall. By 11:30 a.m. today, according to

a message from Plum Point, there were no snowplows past Anchor Point - waiting for Deer Lake to give them directions.

There was no one there with the experience to do this job. There were areas in St. John's, as the Minister mentioned, which had problems too. It was a first snowfall. It was not an unusual situation. We should have been ready. Conception Bay South is pretty well all done by the Department of Transportation. They had problems out there. The Goulds, Mr. Speaker. It was a good thing the Minister was not coming out the Goulds road today in his big LTD, or whatever it is, because it would have broken it up.

Mr. Speaker: Order please!

The hon. Member's time is up.

Mr. R. Aylward: Thank you, Mr. Speaker.

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, a few days ago, when I had occasion to speak in the Late Show to a question posed by the hon. Member over there, I related to the fact that he had adjusted to the Opposition role and gone to a new low of mud raking. He has now started again.

What he is doing right now, Mr. Speaker, is scaremongering and talking about hypothetical situations. First of all, I would like to point out to him, there are 159 supervisory positions in my Department that were not treated in the same way as other management people were in the rest of the Department. Now, we have a

situation in this Province where, because of the severe economic conditions we are going through, and because a lot of it was inherited from the previous government, and because of cutback in Federal money and the severe recession we are going through in this Province at this particular time, where we had to look at ways to reduce the operating costs but still provide the same service.

And this was one of the ways we looked at. And the Member, the mud raker, the roller-in-the-mud from over there, from Kilbride, makes it a point and he brings up all the hypothetical situations. There is no doubt about it, Mr. Speaker. As has gone on from the time the Department has operated, there are occasions during the winter months when union members are asked to fill in as foremen. Now if that happens, because we have changed the overtime, the way that we pay management people, if this should happen, Mr. Speaker, and they refuse the job - as they have done before, many times before, but union operators have to have the chance, fine, we have people in place who will fill in and do the foremen jobs.

Now the interesting thing about this, though, is the Member for Kilbride talks about the expertise we are losing in this. We have looked at it in my Department, and one of the reasons why we looked at it and said we are taking the people we would need most for doing the most experienced jobs, is our senior equipment operators were taking those people and making foremen out of them, and then we had to hire inexperienced people to put on this equipment. So we feel that if this hypothetical situation he is talking about, which happens from

time to time throughout the year, if the union people refuse to take the jobs, then we have adequate people to put into foremen positions and we will have experienced people, Mr. Speaker, operating the plows.

We have no doubt that this will provide as good a service as was there before and at less cost. That is the situation we have to look at right now. For the information of the hon. Member for Kilbride, there is no equipment working on the Great Northern Peninsula right now because there is a raging snowstorm on. It had nothing at all to do with people getting directions from Deer Lake or Plum Point, the reason the equipment is not there is because they are into a raging snowstorm and the equipment had to be taken off the road. That tells you the mentality, the type of questions, and the type of statements that member is making.

Some Hon. Members: Hear, hear!

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

Mr. Winsor: Thank you, Mr. Speaker. If it wasn't so serious, it would be amusing.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

I have recognized the hon. the Member for Fogo.

Mr. Winsor: Mr. Speaker, for the second time this month the people of the Fogo Island and Change Islands area have had to suffer another injustice from the Minister of Transportation. He callously reduced the number of ferry crossings from five to three

without warning. As a matter of fact, the Fall schedule had been announced for four trips per day. He unexpectedly lowered the boom and said, no, you have to reduce to three. This week, without any consultation with the people at all, he stands in his place in the House of Assembly and says, We are going to revert to a system of one ferry for both islands. That had previously been tried in 1989 - December 1988 it went into effect, and it lasted until June 1989. The system did not work then, and the minister knows it. The former administration put this program in place and they took their knocks over it because the system did not work. Now I do not know what kind of magic the minister has put into the Beaumont Hamel to make it such an efficient service that it is going to be able to provide a fall and winter service, as he indicated in the House here today. Because I am sure the Member for Lewisporte will agree that that particular boat has all kinds of trouble, particularly if it is used for long periods of time; because of her thrusters the motor runs hot, and they have to shut the system down.

An Hon. Member: Boat thrusters.

Mr. Winsor: Boat thrusters. Oh, no I am not talking about the old thruster on the other side, no, I am talking about the thruster on the boat. That boat cannot adequately provide the service to the people of Fogo Island and Change Islands. In addition to that, there was a firm commitment, and I mean a firm commitment, from the Premier of the Province that when elected, that system which was inadequate would be replaced and there would be a dedicated ferry run for each island. I am sure the Member who represents

Change Islands, the Member for Lewisporte, will obviously have to agree that that was the recommendation, that was the policy of the Liberal Government.

Mr. Simms: He supports this change, I presume?

Mr. Winsor: And I would assume that he supports this change, that he wants to go back to a one-ferry system for nine months of the year that was inadequate for six months. It has now been increased to nine months, and the minister has the audacity to stand in the House and say there will be no reduction in service.

Now, the minister, earlier this year I will say, made one good move, he reduced the cost of travelling because he said it should be the same as if we were travelling on road. Laudable! No point in reducing the rates if you lower the service, because you could have it for free. If the boat is not there to run -

Mr. Walsh: The boat is running.

Mr. Winsor: That is the situation we have now. Would the Member for Mount Scio keep his mouth shut and look out for the service on Bell Island. I will take care of Fogo. He is constantly interrupting.

The service that is presently being provided is not adequate. It was not adequate in 1988-89, it is not adequate today. In addition to that, the minister neglected to add in his statement the other day that there will be ten jobs lost in the system now. Is that the real reason? Is it an attempt to save money on the backs of the people of Fogo Island and Change Islands? The reduction in

service that is now in place can only mean hardship, can only increase the isolation of people who live in these places. And the Minister has a duty, an obligation to these people. And the Premier said, 'I assure your committee that the Liberal Party is committed to ensuring the people of Fogo Island and Change Islands a fair and equitable transportation system to replace the present system that is inadequate. Sincerely, Clyde K. Wells.'

Mr. Speaker: Order, please!

The hon. Member's time is up.

The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, the Member for Fogo has made his pitch for today, he has done his job, so I will tell him now exactly what has happened in providing the service.

We have a situation where we are going to revert to one vessel from the 1st of November. In the normal season, there are nine months when there will be one vessel operating on that service, and there are three months when there will be two vessels.

When there is one vessel, there will be a situation where there will be three trips a day to Fogo Island, three trips to Change Islands, and that is exactly the same as we have now. During the nine months you are going to have exactly the same service that we are going to provide with one vessel right now.

An Hon. Member: That was inadequate.

Mr. Gilbert: The only reason it was inadequate - I will get to that, but, I mean, we are going to provide the same service with one vessel. We are going to provide a one-vessel service, we are going to have three trips to Change Islands and three trips to Fogo a day. Now during the summer season, when it is busy, it will revert to five trips, as it is right now.

Now, when the previous Government introduced this service, it was a policy they put in because they felt one vessel had the capacity to do it. Now, the point about it that I will make to you again before we get into the next step, the capacity to provide the service to those two Islands can be adequately done by the Beaumont Hamel. The statistics we have in this Department for last year say that the Beaumont Hamel, on the operation to Fogo, on dedicated service, full time, operated at full capacity 40 per cent of the time. The Hamilton Sound on the Change Islands service, full time for the twelve months, operated at 22 per cent of the service.

Mr. Winsor: What does that have to do with service?

Mr. Gilbert: Now one vessel, the Beaumont Hamel, has the capacity to provide adequate service for the three trips a day that are now being provided during the fall and spring seasons, and two during the winter. So the situation the Member is talking about is, again, a hypothetical situation. When the previous service was introduced, the Beaumont Hamel had just been in the service and they had trouble with the propulsion system and the thrusters and it took them all that winter - that boat was out of service most of

the winter. As a matter of fact, it was tied up during most of the winter because of the fact that the boat had difficulties with the thrusters operating in ice. Last year, it operated full time because of the repairs that had been done to its propulsion system.

So, we are going to watch the system and monitor the system. We think that it is the right way to go. The previous Government thought it was the right way to go, but they ran into problems. We know it is a right way to go. And we are going to have a new vessel in a year's time that will provide better service than they ever had before. So, Mr. Speaker, we are doing something.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please!

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