

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
TUESDAY, DECEMBER 11, 1979

The House met at 3.00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER (SIMMS): Order, please!

STATEMENTS BY MINISTERS

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

MR. BARRY: Mr. Speaker, I would like to report to the House and I have to mention that this has already been released publicly, because again we seem to be caught on the pressures of timing on the part of the company and so on. It was not intentional in terms of not - if it was possible it would have been announced in the House first, but the announcement that Chevron Standard Limited as operator of a group of companies drilling the Hibernia P-15 well has concluded a production test of perforations through casing in the interval 3,852 metres to 3,858 metres, an interval of 6 metres, which flowed at a rate of 2,635 barrels of oil -

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: - which flowed at a rate of 2,635 barrels of oil per day of 34.5 degrees API gravity oil, that is a desired quality oil, with a gas-oil ratio of 890 cubic feet per barrel. The well was tested through a 26/64 inch choke for a period of seven hours. No water was encountered during the test. Testing of additional potential hydrocarbon zones above the 3,852 metre level is planned. Partners in the venture are Chevron, Mobil, Gulf, Petro-Canada and Columbia.

So we can say that we are encouraged by the results of the test of this second zone, this is apart from the previous 800 barrels a day tested in a lower zone, and we look forward with anticipation to the testing of the remaining untested zones higher up in the well. I might add the cautious note that one well doth not an oil field make, that there have to be a couple of other step out wells drilled, but this is quite encouraging.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: (Simms) Order, please! The hon. member for Baie Verte-White Bay.

MR. PIDEOUT: Mr. Speaker, first of all in responding to the statement made by the minister, we did not have a chance to see it beforehand so I will not take very long to respond to it other than to say that of course we on this side of the House welcome the news that the minister has told us and we look forward in eager anticipation to further reports from him and from the group involved in the Chevron well as to progress being made in the further testing of that well. I think all Newfoundlanders would welcome the news. The minister is right, one well does not an oil field make and, of course, one or two announcements from the minister does not make that either. But we are pleased to be brought up to date with the testing and we look forward to more concrete evidence as it becomes available.

SOME HON. MEMBERS: Here, here!

ORAL QUESTIONS

MR. SPEAKER: (Simms) The hon. member for LaPoile.

MR. NFARY: Mr. Speaker, my question is for the hon. the Premier. In view of the serious situation that developed on the Southwest corner of the Province yesterday when, without warning, the electricity went out in the Channel-Port aux Basques area and on the Southwest corner of the Province, the Light and Power Company employees went on strike leaving the whole area in darkness for fourteen or fifteen hours without any warning and caused tremendous inconvenience and hardship and suffering to the people in that area, would the hon. the Premier tell the House whether or not he intends to allow this to go on without intervention of some kind on the part of the Premier of this Province who has taken a hand in other labour disputes? This is a very serious matter and apparently a pattern is developing that the Light and Power employees with their rotating strikes intend now, whenever a storm, whenever we - and they had a big storm in Port aux Basques yesterday, by the way - whenever a storm now takes place in an area and

MR. NEARY: . . . the electricity goes out for any reason, that they intend to walk off the job and leave the people high and dry. Would the Premier indicate if he would personally take an interest in this strike and try to get the parties back to the bargaining table and get this matter straightened out, get this labour dispute straightened out before something of a very serious nature occurs? It could have been serious yesterday in the Southwest corner of this Province.

MR. SPEAKER: (Simms)

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, I will undertake to discuss the matter with the Minister of Mines and Energy (Mr. Barry) and the Minister of Labour and Manpower (Mr. Dinn) to ensure that no stone is left unturned in the government's efforts to ensure that the public are protected in this strike and the kind of blackouts that have occurred, apparently yesterday because of the storm, are kept to a minimum and try to eliminate them if at all possible over the life of the strike. We will do all that we can and I shall personally talk to the Minister of Mines and Energy (Mr. Barry) and the Minister of Labour and Manpower (Mr. Dinn) about it who, I am sure, will in their turn try to ensure that the concerns that the hon. member has are protected in the future.

MR. NEARY:

A supplementary question.

MR. SPEAKER: (SIMMS)
LaPoile.

A supplementary, the hon. member for

MR. S. NEARY:

I thank the hon. gentleman for his answer,

Mr. Speaker, and I do hope and I would like for the Premier to indicate, that this will not just merely mean what we hear from the Minister of Labour and Manpower (Mr. Dinn) so often, that a conciliation officer is standing by waiting for either one of the parties to call up the minister or his department, that the Premier will call up the international representative of the Electrical Workers and the company and try to bring the parties together as quickly as possible. Because this could, if it is allowed to continue, deteriorate into a very serious situation. So I would like to have, again, the reassurance of the Premier that he will personally take an interest in this dispute.

MR. SPEAKER:

The hon. Premier.

PREMIER FLECKFORD:

I shall personally take an interest in it.

There are two points at issue here that I think the hon. member is concerned about; one, is the strike itself and to try to ensure that government does all in its power to see that it comes to a speedy conclusion, a speedy end, and more importantly, that while the strike is on that storms and the like which might occur, which would necessitate some of the people who are now on strike repairing or rectifying a problem, that somehow that is taken care of in the interim. So we will address ourselves to both those issues to ensure that these concerns are carried out and I can assure the hon. member I will take a personal interest and concern on it.

MR. SPEAKER:

The hon. member for Terra Nova.

MR. T. LUSH:

Mr. Speaker, I have a question for the

Minister of Labour and Manpower. In view of the extreme seriousness and gravity of the unemployment problem in this Province demonstrated by the labour force statistics just announced by Statistics Canada showing this Province's unemployment rate at the intolerable and completely unacceptable figure of 14.6 per cent, and the only Province of Canada to have an increase in its levels of unemployment for the month of November, in view of the seriousness and travesty of this particular situation, can the minister indicate what innovative plans and programmes or what emergency plans or

MR. T. LUSH: programmes or what contingency plans or programmes or what plans and programmes does the government have in mind or have initiated to alleviate this tremendous problem this winter?

MR. SPEAKER:(SIMMS) The hon. Minister of Labour and Manpower.

MR. DINN: Yes, Mr. Speaker, I share the hon. member's concern about the unemployment rate in the Province. It is one that will not be fixed overnight. I can tell the hon. member that a comparison of these statistics which I believe are not the most accurate - I welcome the Federal President of the Treasury Board having a three-pronged investigation into Statistics Canada to see if the statistics can be improved. But I will also note that for November 1977, the unemployment rate was 17.9; November 1978 the unemployment rate was 16.5 and November of this year, 1979, it was 14.6 and I do believe the hon. member will agree that there is an improvement with respect to what the government, in consultation with the Federal Government, is going to do. Some of the programmes will be announced, hopefully, in the Federal

Mr. Dinn: Budget and further elaboration will be made by the Minister of Manpower and Immigration (Mr. Atkey) as the Budget debate goes on.

MR. LUSH: A supplementary, Mr. Speaker.

MR. SPEAKER (SIMMS): A supplementary, the hon. member for Terra Nova.

MR. LUSH: In view of the Provincial Government's announced commitment to create 40,000 in this Province over the next four or five years, and we have never been able to straighten out actually whether the 40,000 jobs announced by the Premier, the present Premier, were on top of the 40,000 jobs that were announced by the previous Administration, we have never been able to get a clear picture of that particular situation, but that aside, in view of the government's announced commitment to create 40,000 over the next four or five years, can the minister indicate, one, whether these 40,000 jobs will be jobs created solely and wholly at the Provincial Government's initiative or whether they are in combination with any plans of the Federal Government might have in mind? And secondly, how do these figures today fit in with any flow charts that the government have made with respect to the creation of these 40,000 jobs?

MR. SPEAKER: The hon. Minister of Labour and Manpower.

MR. DINN: Yes, Mr. Speaker, with respect to that question it would require a very detailed answer. I do not know if we have enough time in Question Period, and I would not want to take up Question Period with just answering that question. But the fact of the matter is, as the Premier outlined in the House of Assembly three weeks ago, that the employment picture which is positive, the hon. member states the positive side of it, is improving on a year to year basis.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: The 40,000 jobs that the hon. Premier alluded to earlier are additional jobs over and above what jobs we will create with the positive trend that has been created over the past three or four years. The 40,000 jobs are additional jobs that we anticipate

Mr. Dinn: with five year plans from all of the resource departments that are being developed now, and with the plans that the Federal Government has. So we hope to have a co-ordination of programmes rather than the type of programmes we have had over the past few years so that in the next five years we anticipate that there will be 40,000 additional jobs for Newfoundlanders in this Province.

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: A supplementary, Mr. Speaker.

MR. SPEAKER (SIMMS): A final supplementary, the hon. member for Terra Nova.

MR. LUSH: On the basis of these 40,000 jobs, and this considered with the fact that the labour force in this Province grows at about the rate of 6,000 to 8,000 a year, which, let us take it at the lowest figure of 6,000 a year, over five years this would mean 30,000 new entrants into the labour force, how can the minister justify the fact that the creation of these 40,000 jobs, and considering the growth of the labour force, the yearly growth of the labour force, how these 40,000 jobs will bring our unemployment rate down to 10 per cent, as again was announced by the government?

MR. SPEAKER: (SIMMS)

The hon. Minister of Labour and Manpower.

MR. J. DINN:

Well, that is relatively simple to do mathematically or otherwise, Mr. Speaker, if the hon. member were to note just the normal decrease in the unemployment rate from 17.9 to 16.5 to 14.6, that to go along for the next four or five years, plus the 40,000 jobs we anticipate creating as a result of the programmes, as I have stated earlier, developed by a co-ordination of the resource departments and the Federal Government, we anticipate that in that five years, certainly, we will be down below 10 per cent, and we do visualize a resettlement programme from the mainland part of Canada back to Newfoundland.

MR. SPEAKER:

The hon. Leader of the Opposition.

MR. D. JAMIESON:

Mr. Speaker, I would like as a supplementary to direct a question to the Premier in his capacity as Minister of Intergovernmental Affairs. Because there appears to be continuing confusion over whether or not the statistics are accurate—I do not think I am misquoting the Premier himself, I think at one point he said that the new yardsticks were necessary to assess unemployment in this Province—given the fact that members opposite and the government itself some twelve or so months ago indicated that the real rate of unemployment was substantially higher, and that figure also, by the way, was attributed to the present Minister of Fisheries for Canada (Mr. McGrath) who said that the rate grossly underestimated the number of unemployed, what I would like to ask the Premier is a double-barrelled question if I may. First of all, is he satisfied that the Statistics Canada figures are an accurate reflection now and, second, in connection with the studies being undertaken by the Economic Council of Canada at the request of the Government of Newfoundland, is the unemployment or employment picture, whichever way one wishes to state it, being examined by that group and when might we have some information from that study?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD: There are lies, lies and damn statistics.

First of all, the Minister of Labour and Manpower and myself and some of his officials have, over the last number of weeks and months, been talking at some length about this whole question of what should go into reflecting an unemployment rate or an employment rate for a province and what criteria should be used and whether it should be different from what Statistics Canada and the Federal Government use now. So it depends on what you put in to the front end of the pipe, what comes out at the back end. We are looking at that now and hopefully over the next year or so we will be able to bring on sufficient individuals in the Department of Labour and Manpower to reflect what we would classify as - what Newfoundlanders would classify as a Newfoundland rate of unemployment as opposed to or distinct from what is now being said by the Federal authorities who use a more national yardstick and national criteria which might not always be totally 100 per cent applicable in all cases. And then, what percentage of the women who worked - it is like the member for Kumber Valley, the Minister of Health (Mr. House) always says about the unemployment, two years ago in Jackson's Arm, White Bay, there were no fish plants

PREMIER PECKFORD: and then last year a fish plant was constructed and put into operation and forty women from that community, Jackson's Arm, got work for the first time in a fish plant in Jackson's Arm. So last Winter there was an appreciable jack in the unemployment rate in Jackson's Arm because now these ladies who had never worked before did work and now they were reflected in the unemployment statistics. I do not know if you use that as a yardstick to increase your unemployment rate or not but it seems to me that, therefore, the more you get working in a seasonal activity in Newfoundland, the higher your unemployment rate is going to be in the Wintertime. So one has to determine what the criteria are. So my number one point would simply be we are looking at the possibilities of developing an unemployment rate ourselves, if you will, and publishing it at the same time as the federal one to just see whether we can get some - whether there is any benefit in doing that or not. We are investigating that right now to see if there is any benefit to it.

I have talked to people who are doing these studies, the Economic Council of Canada, About three weeks ago they were down, and I had a long discussion with them as it relates to how they view the Newfoundland economy as opposed to perhaps some economist, a Newfoundland economist viewing it and the whole question of unemployment and employment and they are studying that whole question of employment and unemployment and it will be an integral part of their report. That is moving along on schedule and I forget what the time frame is right now off the top off my head, but I will be able to get it shortly. They should be making their report, I guess, sometime in the Spring or Summer at which time, of course, we will make it public and it might be a good document for debate in this House later on. But, yes, they are involved in the whole question of unemployment and employment and patterns of development and patterns of movement of population and so on within the Province, and the role of the fishery and so on, and we have tried to insure that it just does not become an academic document by people who have certain fixed ideas, and their blinkers, on from Ontario or wherever

PREMIER PECKFORD: so that we do not really get any truer reflection of what the state of our economy is than if they did not do the study at all.

MR. SPEAKER: (Simms) A supplementary, the hon. Leader of the Opposition.

MR. JAMIESON: Mr. Speaker, I would, as a supplementary to the Premier, like to ask him, given the fact that it is now increasingly evident that considerable numbers of bureaucrats and perhaps politicians, on the Mainland, are tending to feel that the unemployment rate in Newfoundland is being misstated; and given the fact that there is what I consider to be a distressing growth in the amount of comment being heard, both within the Province and outside, about the lack of necessity anymore for social programmes; unemployment insurance, modifications being needed in the like, because of the so-called distortions to which the Premier has referred, but given the fact that members opposite themselves have often stated the fact that the unemployment figure for this Province as stated officially was lower than the real level of unemployment - and the Premier made some reference to it, Mr. Speaker, with regard to the participation rate which is the lowest in Canada, given all of those facts my worry and I would like to put it in the form of a question, is the Premier, in keeping with his assertiveness with regard to the Newfoundland rights, the Newfoundland position,

MR. D. JAMIESON: ensuring that no changes are made in the levels and the form of payment of assistance and unemployment insurance until such time as we have far more clarity than we have at the moment? Because, if I may say so, I think that if this is not put to rest it is a reflection, indeed, on some of our Newfoundland workers, that is, that a great many of them are supposedly hangashores and I think the Premier would agree with me that that simply is not true.

MR. SPEAKER: (Simms) The hon. the Premier.

PREMIER PECKFORD: I can assure the hon. Leader of the Opposition that we are doing everything we can to argue forcibly with the federal authorities and with the ministers responsible and other ministers, you know, and view with a great deal of concern some of the statements that have been made relative to certain social programmes which I think will remain for a long period of time as an integral part of the overall economic and social system in this country because there will be ups and downs in different parts of the country. You will not have - you can look at it from a NASSAU point of view and say you are better off ten years from now but there will always be peaks and valleys and hopefully the valley in the next ten years will be Ontario and some other place and that the peak will be here. But then again, the longevity of that kind of peak, one never knows and so you always have those and hence, social programmes at a fairly high level will always be necessary. And hence, I can assure the hon. gentleman that I am very cognizant of that and we will continue to push and argue strongly for a high level of input financially by the federal government in social programmes now existing, and to try to be a little more creative and innovative in new programmes that might come forward because we still have a long way to go. I see that reflected in our own social programmes that the Minister of Social Services (Mr. T. Hickey) is always arguing for before Cabinet and Treasury Board, almost every second week. And people who, just this morning, were in to see me for various things - the widows and

PREMIER PECKFORD: other people who find it very hard to make a living, and to make ends meet and to pay their oil bill in the Wintertime. And so I appreciate what the hon. Leader of the Opposition says and indicate to him that when it comes to social programmes, I am on the progressive side of the Progressive Conservative Party.

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: (Simms) The hon. member for Windsor - Buchans followed by the hon. member for Stephenville.

MR. G. FLIGHT: Mr. Speaker, my question is for the hon. Minister of Mines and Energy (Mr. L. Barry) -

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. G. FLIGHT: - and it is relative to the Upper Salmon project, the hydro development of the Upper Salmon. As the minister knows the road is now under construction, I understand there is some site preparation going on by Hydro themselves, there are people on the site in the various areas that will be undertaken, there are pre-tender documents being arranged before tender calling, I wonder if the minister would assure the House that he is satisfied that the work going on to date, and that in letting tender documents, that all the recommendations of the various people that are charged with making sure that that project is done in a way that will minimize any damage

Mr. Flight: to the total environment in the area, that he is satisfied to date that indeed all of the recommendations of the environmentalists or the people responsible for guaranteeing that we minimize the environmental damage, is indeed - that is the situation, that the project is being approached in a way to minimize all the damages possible?

MR. SPEAKER (SIMMS): The hon. Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, I am not prepared to assure the hon. member that all recommendations of everybody interested in the environment have been followed. I am sure they have not. There are good recommendations and there are bad recommendations. But I have had nothing brought to my attention in the last several months by either Hydro officials or members of the general public raising concerns about the way in which the project is being carried on. I have had no concerns raised or brought to my attention by anybody.

MR. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the hon. member for Windsor-Euchans.

MR. FLIGHT: Specifically, Mr. Speaker, I will indicate to the minister that I have become aware from fairly knowledgeable sources, and I do not say that this is a fact, I am going to ask the minister's assurance that it is not a fact, that Hydro's original intention was to clear cut the reservoir, the Upper Salmon reservoir, the flooded area, and that there is now some concern and there is some thought that that may not indeed happen, that the reservoir may not be clear cut and may be flooded as is. Is there any truth to that possibility, and would the minister confirm whether or not Hydro is thinking along those lines?

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

MR. BARRY: Mr. Speaker, again I am speaking from memory now but it seems to me that the decision was whether the entire area should be clear cut or whether it would be sufficient to cut the edges of the reservoir where the waters would stop and to cut anywhere where the wood would intrude above the surface of the reservoir.

Mr. Barry: And I would have to check for the hon. member to see what the - I have known but I just honestly do not recall whether the ultimate decision was to completely cut or just to cut around the edges of the reservoir, but I will find out for the hon. member.

MR. FLIGHT: A final supplementary.

MR. SPEAKER (SIMMS): A final supplementary, the hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, my understanding at the time was that Hydro indicated that there would be a total clear cut, that we would not make the same mistake we made in the original Bay d'Espoir development.

MR. BARRY: There was no cutting.

MR. FLIGHT: There was no cutting. But what becomes very important in this situation if Hydro changes its mind, and if there is not indeed going to be total clear cutting - the minister knows that one of the fears that the people responsible have in this Province is what that project will do to the caribou herds frequenting the area of the Upper Salmon. And it is apparently an established fact that the very area we are talking about flooding is the area that they use in migrating, swimming and that kind of thing. And in any brush at all that is left in the area, in the reservoir that we form, then, I mean, every professional man, everybody who knows anything about

MR. G. FLIGHT:

the migration habits of Caribou, that in itself will be a detriment to that type of migration and I submit to the minister he should accept nothing less than clear cutting.

MR. SPEAKER: (SIMMS)

The hon. Minister of Mines and Energy.

MR. L. BARRY:

Well, Mr. Speaker, just at first glance

I would have to question that statement just made by the hon. member. If there were trees left in the very center of where the reservoir is going to be and if those trees are covered, by, we will say as an example ten feet of water, I have my doubts somehow, Mr. Speaker, that that would interfere with the Caribou unless they are scuba diving in the reservoir. If the edges of the reservoir are clear cut, and if the water depths throughout the reservoir are a sufficient height above any trees that might be left in certain inaccessible areas, then, Mr. Speaker, I would submit that that, I believe, would be acceptable. But I will get the precise information for the member as to what exactly is proposed.

MR. SPEAKER:

The hon. member for Stephenville followed by the hon. member for Eagle River.

MR. F. STAGG:

Yes, Mr. Speaker, thank you very much for recognizing me. I am again rehearsing for the year 2000 when we get into Opposition and have the opportunity to ask questions. This is an extraordinary day, Mr. Speaker, and it is only on extraordinary days that a member on the government side would ask a question. In light of the obvious disappointment showed by the Opposition in the announcement by the Minister of the Mines and Energy (Mr. Barry) today, I would like to ask him a question concerning his announcement concerning the hibernia test. I understand that the test was on a six metre portion of the well and that it was at 2,600 barrels per day. I would like for him to indicate to the House to the best of his knowledge, and he may have all the information on this, how many metres of oil bearing formations there are in this well and if he would give us a reasonable extrapolation of what this could mean in barrels per day for the entire well?

AN HON. MEMBER:

(Inaudible) the author.

MR. F. STAGG: Yes, I wrote that myself. Yes, but obviously you fellows did not want it answered today and then I have a supplementary, Mr. Speaker.

MR. SPEAKER: Order, please!

I do not see an answer.

The hon. Minister of Mines and Energy.

MR. L. BARRY: Mr. Speaker, I would really like to be able to answer that question but I cannot.

SOME HOW. MENDELPS: Hear, hear!

MR. L. BARRY: So much for the allegations of a stage question. Mr. Speaker, the only information that we can release is that there are other hydro carbon bearing zones higher in the well. There are a number of these which remain to be tested and a previous statement indicated that these extend over a considerable depth or thickness. The previous statement was misinterpreted to mean that it was continuous. That was not said, It might or might not be

MR. BARFY:

continuous. Normally, I suggest it is fair to say, would not be, but it might or might not be, but there are a number of other hydrocarbon zones higher up in the well which will be tested over the next few weeks. In fact, they will be commencing testing of the next zone higher up right away, within the next day.

MR. SPEAKER: (Sings)

The hon. member for Eagle River.

AN HON. MEMBER:

A supplementary.

MR. SPEAKER:

If the hon. member for Eagle River wishes to yield the couple of minutes remaining it is up to him.

The hon. member for Eagle River.

MR. HISCOCK:

I would like to direct my question to the Premier concerning the Northern cod stocks. Mr McGrath has made an announcement that basically 100,000 metric tons are going to be devoted to the inshore fishermen, 45,000 tons are going to be set aside for the Canadian quota and 25,000 metric tons for foreign and Spanish fleets. I would like to ask the Premier if he has changed his mind with regard to the size of the boats for the Labrador fishermen? From Henley Harbour North it is twenty-five foot boats and then farther South they have to be twenty-five feet or more. The people in Red Bay and other parts of the South coast want to have them twenty-two feet.

Also, basically they are saying they want uniformity on the coast. Instead of cutting it off and saying you can only build a certain size boat up from Henley Harbour North and then, also, a certain size boat from Henley Harbour South, they want uniformity on the coast. And the second thing is with regard to these longliners being built, these twenty longliners, how many of these are going to be for the Labrador coast? And the third question, I wrote the Premier with regard to a special boat building programme for the Labrador coast. Here we have 100,000 metric tons for the Labrador coast, the Northeast coast. Basically, if we are going to make use of that, how can the fishermen make use of this, particularly when there is no bank on the coast to arrange a loan from and, as I said, I think that, basically, some building

MR. HISCOCK: programme should be instated for the people as well as uniformity on the coast?

MR. SPEAKER: (Simms) Order, please! I want to suggest to the hon. member that he might wish to place that question on the Order Paper. It is rather lengthy.

The hon. the Premier.

PREMIER PECKFORD: I will try and give a short answer to it Mr. Speaker. Point number one, I am not aware that there is any law which says that a certain size boat must be built on the Labrador coast but I think there are certain subsidies which are available for certain length boats and it cuts off part way up the Labrador coast. But the phraseology used by the hon. member would imply, if taken at face value, the words that the hon. member actually uttered, that there was something which said that somebody could only build a certain size boat. I know the hon. member did not mean that but the incentives provided do lean towards different size boats being built on the Labrador coast. I think that is a little bit different than the hon. member said. I recognize that that problem exists and whether we can do anything about it - I will take it under advisement right now. I appreciate the question and understand it, having fished off the Labrador coast myself one time, out of Mary's Harbour and out of Battle Harbour and out of Matties Cove, Indian Cove, Lodge Bay and Cape Charles and Square Islands, Tub Harbour and Snug Harbour, George's Cove and William's Harbour, Sandy Hook, Port Hope Simpson. Secondly, the twenty boats that will be built, whether any of those will be charged against the Labrador fishery or not or somebody from Labrador will get one of these boats or build one of those boats, I do not know, I cannot answer the question, it will depend on whether they fit the requirements of the programme. There is nothing there which indicates that they would not, or whether some person who lives on the Island of Newfoundland who builds one of these twenty will be fishing off the Labrador coast or not. So there are many ways in which one of those boats might have access to Labrador fish. It could be because a Labradorian qualifies and builds one of these boats or a Newfoundlander,

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PREMIER PECKFORD:

Yea, an Island Newfoundlander, builds a boat and goes to the Labrador. There are many, many ways in which Labrador fish can be taken off the Labrador coast, one of which is to have a Labradorian catch it and another is to have an Island Newfoundlander build a boat and go down and catch it. But no Labradorian is excluded and if they meet the requirements of the programme then that will be one of the twenty.

Thirdly, as it relates to a separate building

Premier Peckford:

programme for the Labrador Coast, that might be a good idea for us to consider. Giving the fact that the hon. member mentioned about the banks, we have not signed any agreement with the banks yet, we are still negotiating and we will not sign an agreement unless we can be assured that it is going to work smoothly and efficiently and all Newfoundlanders and Labradorians will have access to the funds without having to go through any additional problems, especially those people on the Labrador Coast where, as the hon. has pointed out, banking facilities are not what one would classify as one on every corner.

I would also like to respond and address the whole issue of 100,000 metric tons, which the hon. member mentioned was the amount of fish off Labrador, and then I think the hon. member did mention the Northeast Coast. That 100,000 metric tons is the amount that the federal authorities, apparently, from what the hon. member said, because I have not heard this figure yet for 1980 - in 1979 I know what it was, it was around 108,000 metric tons - have indicated out of the 180,000 metric tons total allowable catch, they are going to say, arbitrarily, that 100,000 metric tons are allocated for the inshore fishery from Cape St. Mary's to Cape Chidley. It is the Labrador inshore fishery, it is the Northeast Coast inshore fishery, and it is the East Coast inshore fishery, so it takes in a lot of communities and a lot of fishermen.

My only response here; I have not heard that the Federal Government has announced what the quotas will be for 1980, and we, of course, stick to our position that we can use all our fish here in the Province and, you know, we view with a great deal of concern and alarm the present ways of going about allocating the Northern cod.

MR. SEAKER (SIMMS): Order, please!

The time for Oral Questions has expired.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER (SIMMS): The hon. Premier.

PREMIER PECKFORD: Mr. Speaker, yesterday the hon. member for Bonavista North (Mr. Stirling) had the question dealing with ponies, and I undertook in a very serious vein to provide the hon. member with some answers to those very vital and important questions. I checked on the matter of horses and ponies being exported from the Province. As a result of concerns expressed over the past two months, monitoring has been done by the Health of Animals Branch of Agricultural Canada as follows: September 25, a shipment of thirty-one horses; October 7, a shipment of forty-five horses and twenty sheep; now, I am sorry if the hon. member left out the sheep yesterday in his question, and I take it that he still wants to hear about sheep as well.

SOME HON. MEMBERS: Oh, oh!

PREMIER PECKFORD: No. I will not attempt to pull the wool over the hon. member's eyes.

MR. STAGG: What kind of boots does he wear?

PREMIER PECKFORD: November 5, a shipment of thirty-two horses and fifteen cows-

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: No goats?

PREMIER PECKFORD: November 18, a shipment of thirty-two horses and four cows.

MR. STAGG: And ten Liberals.

SOME HON. MEMBERS: Oh, ch!

PREMIER PECKFORD: December 7, a shipment of fourteen horses.

MR. CARTER: No pigs?

PREMIER PECKFORD: And December 9, a shipment of seventeen horses and two cows. The Health of Animals Branch does this under the authority of the Animal Diseases and Protection Act, a section of which specifies standards and conditions for the loading and transportation of animals. Health of Animals have received reports back from their staff in Truro, Nova Scotia, saying that animals on the first four shipments named

Premier Peckford: above were in good condition at Truro.

Reports on the last two shipments have not yet been received.

SOME HON. MEMBERS: Oh, oh!

PREMIER PECKFORD: Health of Animals personnel have asked for reports from the Province of Quebec which is the destination of the horses. So we do not only export power to Quebec, Mr. Speaker, we are now in the business of exporting horses.

SOME HON. MEMBERS: Horsepower!

PREMIER PECKFORD: Horsepower. But nothing has been received there yet.

Provincial agricultural staff assist by reporting shipments of animals when they have occasion to know about them. Health of Animals personnel do not know if they have monitored all shipments or not. They will be glad to do it, but they must depend on the assistance of others to advise when trucks are being loaded with animals.

PREMIER PECKFORD: The provincial Protection of Animals Act allows the Society for the Prevention of Cruelty to Animals, SPCA, to take animals in distress into custody. Distress is defined, back in my Psychology 1 days, distress is defined as the state of being in need of proper care, food or shelter, or of being injured, sick or in pain, or of suffering undue or unnecessary hardship, privation or neglect. Mr. Speaker, I am distressed.

MR. NEARY: The whole Province is -

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: I understand that the SPCA have also monitored some shipments of horses, both here and on the Mainland, but as a result had no justification for any action.

The local Equestrian Club, another actor in this very serious drama, has now unleashed itself upon us, has discussed its concerns with the Provincial Agricultural staff. In response the Agricultural branch put an article in its Farm Forum publication, a mailing list of 500 to 600, advising people to be sure to get fair market value for their animals and to consider the long-term consequences of selling too many ponies, thus depleting future generations of the population. And, additionally, the Equestrian Club has, and I am very happy to report and announce, has made a request to the Canadian Livestock Records, to register the Newfoundland pony as a breed of horses. To my knowledge no response has yet been received.

Thank you, Sir.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): The hon. Minister of Mines and Energy.

MR. BARRY: Mr. Speaker, I am filing annual reports for 1977-78, and 1978-79 of the Newfoundland and Labrador Development Corporation in response to question number 58.

AN HON. MEMBER: Do you have -

MR. BARRY: I have no idea. Sorry.

PRESENTING PETITIONS:

MR. SPEAKER (Simms): The hon. member for Eagle River.

MR. HISCOCK: Mr. Speaker, I rise to present a petition on behalf of the residents of Fox Harbour, and the prayer of this petition - it is not often I have the occasion to compliment the Minister of Transportation and Communications (Mr. Brett) in this House but with regard to the road work that was done in the community of Fox Harbour, where the minister went in and made the foreman and workmen there do extra work in putting down extra culverts and as a result improving the quality of a road I would say as high as 200 per cent, so I would like to go on record now as complimenting the minister for taking that action.

But, also, while this road was being constructed in Fox Harbour, one of the people down in the bottom disagreed with having the road pass in front of his house so as a result he ended up going to the foreman and the foreman ended up suggesting that if they were going to have the protest, then they should meet at a certain point in the road at a certain time at which they did. And as a result the road was diverted from the original route on up over the bank and now as a result the people down in the bottom, ten houses, are no longer connected by this road, not no longer connected, were never connected.

So the prayer of this petition is that these ten houses down in the bottom be connected up some time in the future and that the Minister of Transportation and Communications provide the money for this.

As I said before, this basically is a result of the foreman's action of encouraging the people to launch the protest. But as a result, there are now ten families down there that do not have the facility of the road in any way and I think it is a little bit annoying to see a road, or over \$200,000, come into a community and now not be able to use these facilities.

MR. HISCOCK: That is the prayer of this petition, and I would like to table this petition on behalf of the 22 voters who live in these houses.

MR. SPEAKER (Simms): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, I would like to speak in support of the petition presented by my colleague from the Southern area of Labrador. Having also represented small communities in Labrador West with no roads, and coming out here around St. John's and seeing all the cars and trucks and highways and everything else, it is really good to see partial roads in those communities along the Labrador Coast.

I believe my colleague did say that probably about three-quarters to seven-eighths of the community is connected by road and there is only just a small segment in the community of Fox Harbour that does not have the facility, a public highway.

MR. G. WARREN: Mr. Speaker, in this day and age when we see our Department of Transportation and Communications moving out into many areas of Newfoundland and Labrador and improving our roads, it is only natural that we will see more in the years to come with the road conditions on the Labrador coast. Fox Harbour is just one of many communities that has a very poor road system and anything that the minister could do and that the government could do to bring all the people in Fox Harbour - St. Louis together under one road system I am sure would be appreciated by all.

SOME HON. MEMBERS: Hear, hear.

ORDERS OF THE DAY

MR. SPEAKER: (Simms) Order 2.
Third reading of a bill, "An Act To Amend, Revise And Consolidate The Law Relating To The Establishment And Administration Of Municipal Government In The Province". (No. 58).
On motion, Bill No. 58 read a third time ordered passed and its title be as on the Order Paper.

MR. MARSHALL: Order 15.
Motion, second reading of a bill, "An Act To Provide For The Provision Of Lower Cost Prescription Drugs." (Bill No. 12).

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

SOME HON. MEMBERS: Hear, hear.

MR. W. HOUSE: Mr. Speaker, -

MR. S. NEARY: Do not forget the senior citizens?

MR. W. HOUSE: - it gives me great pleasure to introduce this bill, "An Act To Provide For The Provision Of Lower Cost Prescription Drugs".

Last year, Mr. Speaker, my predecessor announced in the House that the government would be devising legislation to provide for generic dispensing of certain prescription

MR. W. HOUSE: drugs throughout the Province and I am very happy to be following up on that particular announcement.

As the Minister of Health and as a member of the government, I am sure I speak for the government, I am concerned about the cost of drugs to consumers and I think I can speak for just about everybody in this House in that respect.

I would not suggest that there is any simple way to significantly reduce the cost of drugs but there are many approaches that can be taken to achieve this objective but it would be unfair to suggest that it is a simple matter. And I am sure anybody who has got any awareness of the drug industry, they know it is not simple because it is a complicated matter with pricing, marketing policies and, also, with the volume of drugs that are on the market and it is not very easily understood by most people.

The object then of this bills, I want to point out, is to then reduce and I want to emphasize that word 'reduce' and not control the cost of certain drugs to consumers by requiring that pharmacists substitute a lower cost but high quality and therapeutically effective interchangeable drug. And there are two points that I would like to make at the beginning, two major points in this respect, One, is that a mandatory generic substitution policy will only apply to a certain high list or a select list of high quality drugs and high volume drugs and they will be outlined in a formulary which is under compilation now and obviously it can not be completed yet. And the second one, and I think this is very important the second point, is that the generic dispensing policy will not apply where a doctor indicates in handwriting that no substitution is to take place. When he says, "Please do not substitute," it will not be mandatory to substitute.

MR. E. ROBERTS: In other words, it will not be permissible!

MR. HOUSE: That is right. It will not be permissible. And he does not even have to say 'please', he does not have to be mannerly about it, he will just say, 'Do not substitute.'

MR. NEARY: The minute you take your eyes off the (inaudible) you get lost.

MR. HOUSE: I am not getting lost, Mr. Speaker, and the hon. member, if he wants to hear what I have to say, can listen and then he can have a say.

MR. NEARY: (Inaudible).

MR. HOUSE: I am doing quite well.

Mr. Speaker, there are a couple of reasons for having certain drugs. There are certain reasons because we have to certainly look at the number of drugs, we cannot take all the drugs there are and categorize them all - it would be too costly. So we are looking at the high volume drugs.

And the other reason, of course, for stating that a doctor may indicate that he does not want substitution is because of the fact that sometimes we get people who depend on a specific drug that they have been having. And I use diazepam as an example. A person may be used to vivol and when they get the lower cost drug, they may refuse it because they have been always used to a specific one. And that is a good reason for a doctor to be able to say that there is no substitution.

For over a decade, I think perhaps since the late 1960s, there has been a number of provinces practicing some features of generic drug dispensing, but as I recall it, there was nothing mandatory until the early 1970s in Manitoba. What it was, the Quad, I believe it was, the federal branch, stated that there is a number of drugs that can be interchanged, but they did not make it mandatory, and as a result, of course, it did not work, because pharmacists were still selling their select drugs.

MR. ROBERTS: (Inaudible) prescribing.

MR. HOUSE: And selling.

MR. ROBERTS: (Inaudible).

MR. HOUSE: No, the doctors were prescribing and they were selling, of course, the drugs that the doctors were prescribing.

MR. ROBERTS: (Inaudible) surely, if a doctor is subscribing and not knowing what he is prescribing -

MR. HOUSE: Well, he was prescribing a certain brand name rather than the generic name.

MR. ROBERTS: Yes, because he did not know the generic name or because it is more difficult to spell the generic name.

MR. HOUSE: Yes. Well, right now, I think, what this will do - if he prescribes a brand name, the druggist will be obligated to dispense the generic name.

MR. NEARY: Why not let the expert get up there?

MR. HOUSE: I know who the expert is. I know the expert in drug dispensing. There is one over here and one across the way. Mr. Speaker, the hon. member is very disappointed to see somebody else standing up. He wants to have his bionic mouth going all the time. I think it would be wise for him to keep quiet and let me say what I have to say.

Mr. Speaker, I just wanted to point out that Manitoba, I think, was the first province that made it mandatory that you have substitution of lower cost, interchangeable drugs.

Now, I am not going to be long on this, because I just want to point out that there has been a lot of debate going on, there have been a lot of provinces that have already gone into this, a lot of them by permissive legislation and a lot by, of course, mandatory legislation. But what the argument and debate has done is it has stated that the only drugs to be interchanged are those that are of an acceptable quality and also those that are chemically equivalent, and that is, to have the same number or the same quantity of ingredients in it.

The other thing, of course, is that they have to be therapeutically equivalent, and that is within reason, because, as I understand it, you cannot determine fully whether it is going to be

MR. HOUSE:

therapeutically equivalent.

Now, we have not the capacity in this Province, of course - and I do not think there is any need for us to - we are going to set up a committee of two pharmacists, two doctors and a member from the Department of Health to compile the formulary. That is already taking place now but it is not finalized yet. And the reason why it is not finalized yet is because, of course, we have not

MR. HOUSE: approved the bill, but we are going to depend on the expertise that we have in Canada who have tested all these drugs and decided that they are equivalent. And we are also going to look at what has happened in some of the other provinces. I just mentioned that we are going to have two druggists, two pharmacists, two physicians and I think there will be an official from the Department of Health on this and we think this will have to be revised from time to time because, of course, there are always new drugs coming on the market. So, Mr. Speaker, I am not going to belabor this any longer, I do have a fair number of notes here and I can go back into the history of this but I think, suffice it to say, that it is a fairly simple bill. It just states mandatory substitution, select high volume drugs only and, of course, these have all been tested by the federal group called Quad, which is Quality Drug Assessment. There is no substitution. Generic drugs will not take place where a doctor directs in his own handwriting that a prescription must be filled as he states. Dispensing fees, and this is something I want to emphasize, the legislation will not, because there is a pharmaceutical act and we are not going to talk about dispensing fees here. It is not controlled at all. The legislation will not apply to the dispensing or the professional fee and I want to point out that practically two-thirds of the drugs dispensed in the Province are dispensed through a third party or for third party payment. We have about 600,000 prescriptions per year for indigent drugs and I guess there is a little more than that paid for by such things as the Great West Life, The Blue Cross and other insurance companies. So these dispensing fees will be negotiated and I want to point out it will be illegal to sell drugs for any more than the formulary price states.

Now, Mr. Speaker, it is my hope that this bill will mean a saving for a great many consumers who will be required to purchase drugs that are listed in the formulary. I am not going to say what these savings will be. I do not think anybody can say at this point in time. There are people who will say -

MR. NEARY:

Will they be significant?

MR. HOUSE: Well, I stated that I do not know whether it will be significant or not. At this point in time I cannot say but the only thing that I can say is that in reviewing the formularies of other provinces, which we have been looking at and particularly at Manitoba, the prices for interchangeable drugs vary from five to ten cents per pill. You can look at the diazepam and sometimes antibiotics, look and see that much variation. So, obviously, there would have to be - it is difficult for us not to be able to say that there is going to be a saving. If you can save ten cents on a pill, for high volume pills, that has to constitute a saving.

Mr. Speaker, I am not going to predict that it will be overly significant, I do not know. But I think it is a great step that we are taking. It is the right move and -

MR. NEARY: It is a farce.

MR. HOUSE: I do not think it is a farce, Mr. Speaker, I just stated that if you can save ten cents on a pill and somebody has to take three or four a day -

MR. NEARY: All a doctor has to say is no substitute and that is it.

MR. HOUSE: Mr. Speaker, the doctors say, we think and, of course, we have very good reason to believe this, the doctor -

MR. NEARY: All they have to do is indicate no substitute and that is it, game over.

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

MR. HOUSE: - may say do not substitute

MR. HOUSE: but we believe that 95 per cent of the doctors will not indicate that, and we are certain that the only times they will are when they have been directed by the patient to do it or the patient wants a specific kind of pill he has been taking all along.

MR. NEARY: 99 per cent of Newfoundlanders do not know what this is all about.

MR. HOUSE: Well, that is good, that is good, that is great. You are giving the Newfoundlanders what you think of Newfoundlanders, that they do not understand anything. I think Newfoundlanders happen to be an intelligent group of people. I believe that, of course, the hon. member has a very poor opinion of Newfoundlanders, just like he has a poor opinion of councillors in the Province. He has a poor opinion of all Newfoundlanders.

MR. NEARY: The hon. minister is not bringing in a meaningful piece of legislation. It does not mean anything.

MR. HOUSE: Mr. Speaker, this is meaningful legislation. It is attempting to reduce the cost of prescription drugs -

MR. NEARY: It is a farce.

MR. HOUSE: - and it is going to do that. The hon. member, if he does not want to support it, of course, does not have to. He is over there, he has his own mind, I think he has. Sometimes I wonder if he has one, but if he has his own mind let him get up and speak against it. It is a good, positive piece of legislation. It is going to reduce, hopefully, the cost of prescription drugs, and I do commend it, I do commend it to the House and to the members.

MR. NEARY: (Inaudible) at this stage.

MR. HOUSE: No, I think somebody mentioned some time ago 10 to 20 per cent, it was not me, and I do not think it would be wise for anybody to make that statement. We are saying that there are differences between 5¢ and 10¢ a pill on a lot of these high volume drugs, and that is a fairly substantial -

MR. STIRLING: Is there any research done to find out?

MR. HOUSE: Yes, but they were not able to come up with figures like that.

MR. NEARY: What about the senior citizens? Are you going to subsidize their drugs or not?

MR. HOUSE: Mr. Speaker, that is not germane to this particular bill at all. This is a bill -

MR. NEARY: Oh, I see, but the Premier promised to do it in the last election.

MR. HOUSE: Well, that could be in another form. What this is is a bill to reduce, of course, the cost of prescription drugs, and if the hon. member is not in favour of it, of course, let him get up and speak against it. Thank you, Mr. Speaker.

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

MR. ROBERTS: Mr. Speaker, I do not know if I am an expert, but I would say to my friend from Lapoile (Mr. Neary), and I think he would agree with me on this - we do not agree on everything but we do agree on a great deal, but in the kingdom of the blind the one-eyed man is king. Now that we have heard the minister's speech - and let me say we are swung over by his eloquence - we shall support the bill and do it gladly.

MR. NEARY: We are almost afraid.

MR. ROBERTS: Perhaps I may be allowed, Mr. Speaker, to explain to the House what the bill does and to explain what it is we are being asked to do, because, while I would not call it a great reform - I think the Premier has put that name on this, he has been scraping pretty hard to try to come up with some great reforms - I would not call this a great reform nor, to be honest and to be candid and to be fair, nor did the minister. I think the minister made it quite clear that in his eyes this is a most unexciting bill, that it really ought to be dealt with not in a shout of acclamation but in, perhaps, a word or two of hushed welcome, and he made it quite clear that, while he was certainly sponsoring this bill, he

MR. ROBERTS: was not going to list it in the list of ten great achievements of 'H.W. House, Esq.', sometimes a member of the House of Assembly or a sometime member of the House, which is how history will regard him or, for that matter, any of us.

I think this is not a bad bill at all. In fact, I think it is a fairly good bill, and it is certainly one which we in this House should pass. I gather it has been brought in after consultation, and properly so, with the representatives or spokesmen of the Pharmaceutical Association and the Newfoundland Medical Association, and I think that is entirely proper too. I also understand - and I would like to say this because I think it is only fitting and proper - that some bouquets should go to the minister's senior advisor, the Deputy Minister of Health, Dr. Klippert. I would say to the minister that he is well served in his officials in that department. I think that the deputy minister, who is not known to me personally - he was not there in my days which are a long time ago now, Mr. Speaker, time

MR. E. ROBERTS: goes whizzing by but the Deputy Minister I hear spoken of in good terms and I would say to the minister that in this Bill, at least, or the matters connected with this Bill, at least, the Deputy Minister has represented him and the government well, in fact, perhaps better than they deserve to be represented given the fact it has taken five or six years to get this Bill put before the House.

But Dr. Klippert, I gather, in particular, went out to Corner Brook last year either at the direction of the minister or his predecessor, Mr. Collins was minister then I guess Mr. Harold Collins, and appeared at a meeting of the Pharmaceutical Association and I gather acquitted himself with some distinction think that should be noted. It is not a matter of bringing public servants into the debates of the House, that is not my purpose nor is it what I have done, it is simply a matter of noting that the Deputy Minister in this matter, in particular, has performed good and substantial public service. And I would say to the minister, as was once said to me by one of the men who served as my Deputy Minister and was a Deputy Minister to a number of other Ministers of Health, that after all the Deputy Minister runs the department, you, Sir, are but the Minister. And that is a correct statement in the law of this Province. It is also, I would suggest, extremely wise council for any minister or any politician to heed. The deputy ministers are the heads of the departments, the ministers are merely the ministers. That was Dr. Miller and I was delighted to see that the government have named the old General Hospital after Dr. Miller and I was even more delighted to see that Dr. Miller was able to be present at the ceremonies. Too often these ceremonies are brought about only after the person being honoured has gone to the great dispensing room in the sky and is not around or may or may not be able to appreciate what is going on. I do not want to get into the theology of that, Sir, but is not around in human form to appreciate it. I think poor old Dr. Templeman on Bell Island - was Temp alive when they named the hospital after him?

MR. NEARY: Oh, yes. I had a big debate in the House about it.

MR. ROBERTS: Was he not in a hospital bed or something?

MR. NEARY: They did not want to name it after him because he was still alive.

MR. ROBERTS: That is it. I knew - Dr. Walter Templeman who was a giant in the medical history of this Province -

MR. NEARY: We won the argument.

MR. ROBERTS: - and a man who served the people of Bell Island for many, many years with very great distinction, I think it is fair to say was widely beloved by the people there and there were some when the new hospital on Bell Island - and he had been instrumental in helping to bring it about, as said my friend who was then the member for Bell Island or was about to be elected the member - the two events were not entirely unrelated I like to think but -

MR. NEARY: It was named after I got elected.

MR. ROBERTS: I agree it came after but hopefully as a result of, at least in part, the non. gentleman's election.

MR. NEARY: Absolutely.

MR. ROBERTS: The suggestion was made that the hospital be named after Temp as Dr. Templeman was known to everybody. I am sure my friend from Exploits (Dr. Twomey) would have known Temp well and served with him and I hope enjoyed life with him as only Temp could. And there was some suggestion that we would have to wait until Temp died and that suggestion was scotched and the hospital was named the Walter Templeman - I am not sure if it is a Memorial Hospital. Can you have a Memorial Hospital to somebody who is alive.

MR. NEARY: No.

MR. ROBERTS: I was the Walter Templeman or the Dr. Walter Templeman Hospital and fittingly so.

MR. NEARY: We smashed a tradition, really.

MR. ROBERTS: Mr. Speaker, this bill does something that I think is significant and I think it is worthwhile and so I, for one, and my colleagues have authorized me to say that they for eighteen others will support it. What it says is that a pharmacist in this Province - and I speak of pharmacists but the act, it should be noted, in section 3 speaks of persons authorized to dispense drugs and that is a little broader than pharmacists. Doctors are authorized to dispense drugs and I believe in certain circumstances so are registered nurses.

MR. NEARY: Right.

MR. ROBERTS: I am not offering that as a legal opinion. I do not have the Pharmaceutical Act in front of me and I have not checked the point. But the persons authorized to dispense drugs - those are the words that are used in the statutes I will simply say pharmacists because the pharmaceutical profession has developed in Newfoundland and Labrador now to the extent where, you know, in most communities we do have professional pharmacists at work. I would think there are probably only a half a dozen places in the entire Province where doctors now dispense drugs whereas even ten or twelve years ago most doctors in the district medical practices were dispensing drugs, probably making as much dispensing drugs as they were doing their work as doctors but that is largely over and done with by now.

But what the bill provides is that a pharmacist not may but shall sell to the person who comes in with a prescription, shall sell the lowest cost drug that that pharmacist has in stock. And if the pharmacist does not have the lowest cost drug, shall sell the drug in stock at the lowest cost. Now that does not apply to

Mr. Roberts: every drug, it applies only to those that are listed in the formulary, a terrible phrase, the formulary that is to be established by authority of this Act. And I will talk in a moment about the formulary, Sir. But before I do that, I want to note as the minister did, that a doctor may opt out. He may opt out in respect of a given prescription by simply writing on it, in his own handwriting, a stamp is not good enough, a typewritten thing is not good enough, the handwriting of his nurse or his secretary is not good enough, it must be in his own handwriting, he must write on it, you know, words to the effect, of no substitution allowed.

So where a doctor prescribes a specific drug and says on the written prescription, "No substitution allowed" then the pharamists must dispense that drug, and presumably can dispense it at whatever price he wishes. I think, that is how I understand the Act. If the doctor specifies, shall we say, valium instead of diazepam then valium could be sold for whatever price valium is selling for, not at the lowest price but whatever price. And if the doctor simply says valium, and valium, Your Honour may not be too aware of it, Your Honour has not been in the Chair long enough to need tranquilizers, but valium is a tranquilizer, I do not pretend to be an expert, but valium is a variety of diazepam and I would think there are millions and millions and millions of capsules of diazepam prescribed in this Province each year. I will talk in a minute about the cost, but let us take valium as an example and give the Roche Company the free advertising. Do they still give the Department of Health free valium capsules?

MR. W. HOUSE: (Inaudible).

MR. ROBERTS: When I was there they used to give us a million or two million capsules a year free. My friend for Exploits (Dr. Twomey) may - is that still the case?

DR. TWOMEY: Not now. They were trying to promote their product.

MR. ROBERTS: Well, they were promoting it by giving it away, literally giving the government all these supplies, Valium and Librium, which I believe are both trade names of the Roche Company,

Mr. Roberts: were being given to the department for use in all of the cottage hospitals. And if my friend for Exploits (Dr. Twomey) who was then a full-time doctor instead of a part-time doctor and a part-time member, but was then a full-time doctor at the hospital in Botwood, if he or any of his colleagues prescribed valium and it came out from the Central Pharmacy down here at Pleasantville -

MRS. NEWHOOK: (Inaudible).

MR. ROBERTS: They cost the Queen nothing to get except whatever the transportation may be. And the gentleman at, I think it is the Roche Company, they were not doing it simply to be good guys, as the doctor says, "They were doing it to promote the -

MR. HOUSE: (Inaudible).

MR. ROBERTS: Yes. Valium is the most commonly known one, but it is -sure -

MR. HOUSE: (Inaudible) considered to be -

MR. ROBERTS: Well, okay.

Well, the first point I want to make, Mr. Chairman, is that a druggist, a pharmacist must dispense the lowest priced drug unless the doctor specifically rules otherwise. And it will be interesting to see, and only the event will tell us, it will be interesting to see how often a doctor insists upon a specific brand. I suspect that most doctors now, and as the minister would agree, and as Your Honour may be aware, I have some knowledge of the medical profession, not including my one year in premed at the University of Toronto, but I have an awful lot of friends and relatives who are in the doctor business in one way or another and I sometimes suspect that a lot of the times when doctors prescribe a specific brand name it is simply because they do not know the generic name, or if they do know it, they cannot spell it, because the generic names tend to be very - you know, they are chemical names, they can be long and difficult to spell, whereas the trade names, the ethical name, to use a classic example - of how to twist the language - ethical drugs, as if the other drugs were unethical - but the brand name is usually a catchy phrase like valium or librium, or something like that.

Mr. Roberts: And I think my friend for Exploits (Dr. Twomey) would agree that in most cases the brand name is prescribed simply because that is the only one the doctor understands, or because he has had a detailed man from a drug company in pushing - you know, I was sixteen I guess before I realized there was any kind of drug in the world except free samples. And I suspect anybody who grew up in a home where the father was a doctor, you know, had that same experience. Hundreds and thousands of dollars in free samples were being given out to doctors to persuade them to use a specific brand. So that is being ended, and that is a good thing.

Now, some safeguards are being built in because as the minister -

MR. TULK: (Inaudible) your father sold them or gave them away ?

MR. ROBERTS: My friend for Fogo (Mr. Tulk) asked, if my father sold them or gave them away? If they were to me he probably sold them but to the rest of the family I guess he gave them away, would be the answer. And there was no medicare in those days. No medicare.

The bill provides a procedure - and I think this is important - whereby

MR. ROBERTS: the public interest will be protected because the argument has gone on for a long, long time as to whether generic drugs are safe, to use a very wide world word loosely, and the answer is that the Government of Canada a number of years ago set up what is called the Quad programme, I do not know what Quad stands for, but it is a drug equivalency testing programme -

MR. ROUSE: (Inaudible) quality assessment -

MR. ROBERTS: I do not know. It does not matter. It is called Quad. But what it is the Government of Canada -

DR. TWOMEY: Quality assessed drugs.

MR. ROBERTS: I thank my friend from Exploits and the minister. The Quad programme is a equivalency testing programme whereby the relevant people within the Canada Health and Welfare department, as I understand it, test drugs and they then say, alright, this is an acceptable drug in its quality, and its product. Let us take diazepam, we are using it again, it is a common tranquilizer and a third of the prescriptions written in Newfoundland today are for diazepam. Would it be that high - a third? My friend from Exploits (Dr. Twomey).

DR. TWOMEY: (Inaudible) common one.

MR. ROBERTS: It is certainly the most common product but it might be as much as a third, I am told, of all the prescriptions being written today in Newfoundland are for diazepam. It is a very large proportion of - I am told that sixty-five per cent of all prescriptions are less than thirty core drugs but even within that diazepam, the tranquilizer, is by far the most common drug compound used in this Province today. So the Government of Canada tests a number of these, Mr. Speaker, and it says, Alright, anyone of the following brands is acceptable for diazepam, and then one might be valium and I will mention another one that I am told is paxel, now that is two and I mention those two because I happen to have the prices. The price of these is quite significant and this is something the minister ought to have brought out because my friend from LaPoile (Mr. Neary) was quite properly stressing this. Now, I do not know if there are any estimates as to what will be saved

MR. ROBERTS: but I will tell you there are substantial savings because I am told that if one was to take a tablet of diazepam, d-i-a-z-e-p-a-n it is spelled, it is the common tranquillizer, if one was to take a table of that and get the tablet brand named valium -now these prices are wholesale prices to the retailer, they cost 6.4 cents each, \$6.40 per hundred, \$64.00 per thousand and that is the price that is charged to the customer to which is added a dispensing fee. Now, Sir, the paxel, to take another brand which I am told is the cheapest one but which is exactly equivalent in a therapeutic sense, and the Government of Canada through this Quad programme, that is what they say, that paxel is equivalent to valium in a therapeutic sense and that cost is 1.5 cents a tablet, less than one fourth. So that is a significant reduction. Here we are talking of thousands and millions of these tablets being sold in Newfoundland each year and now they are going to be available at 1.5 cents each.

DR. TWOMEY: 1.5 cents per tablet.

MR. ROBERTS: Yes, \$15.00 per thousand as opposed to \$64.00 per thousand, Less than a fourth, a very significant saving. And as I said, Mr. Speaker, maybe as much as a third of all the drugs in Newfoundland fall within that one category of diazepam. An incredible proportion. It also tells something about our society but that is another story.

MP. NEARY: They would be better off if they out and bought Smarties.

MR. ROBERTS: Well, they well might be. Another example to show how it goes - let us take tetracycline which I understand is another very common drug preparation. You know, if we look at the ampicillins, ampicillin and the tetracycline - I am not sure I can pronounce the next one but I will stagger it - chlorpromazine and diazepam, I am told that these four types of drugs or whatever, types of drugs, are a long way towards half the prescriptions written in Newfoundland, those four simple preparations. I mentioned some figures for the diazepam. The tetracycline. I am told that, for example, one of the common brand names is

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MR. ROBERTS:

achromycin V. Apparently that is
a common preparation and is well regarded. It goes for 5.6 cents a tablet
and another equivalent drug in every sense but one,

MR. E. ROBERTS:

not as highly promoted, tetracycyn (spelled t-e-t-r-a-c-y-n) is two cents each, just about one third, so there are significant savings to be made and I would say to the minister that he is being modest about the bill. The Premier would not be modest about it. I would say to the minister that for once -

AN HON. MEMBER:

(Inaudible)

MR. E. ROBERTS:

I am sorry?

AN HON. MEMBER:

(Inaudible).

MR. E. ROBERTS:

Yes, yes, but five cents a pill does not sound very much if the pill cost one hundred dollars, and what I am saying is that in these drugs which are commonly used, extensively used, here we are talking of cutting the cost in respect of the drug by as much as, you know, cutting four dollars down to one dollar or cutting three dollars down to one dollar, one-third, and that is a significant improvement indeed. Now, it will not reduce the cost of the prescription because on to that, you know, if you buy one hundred diazepam pills and then you add on the \$3.50 or \$3.75 the total prescription will go from, say, ten dollars down to say five dollars. But it will still make a big difference. It will save the government, it should be noted, hundreds of thousands of dollars a year. I am told that possibly seven out of ten prescriptions written in this Province are either on the government, - through the welfare clients, or our Blue Cross, or Great West Life, third party plans of some sort or another.

AN HON. MEMBER:

(Inaudible)

MR. E. ROBERTS:

Well, I am told that it is seventy.

My information comes from friends of mine within the pharmaceutical profession; anyway it is a very high proportion. So, Mr. Speaker, you know, the bill is a good one, it is hardly a revolutionary one. Every Province in Canada, I am told, has now got some form of mandatory substitution legislation and I am told that at least two Provinces, Manitoba and British Columbia, have legislation exactly the same as

MR. E. ROBERTS: this." So not only are we not particularly reforming, but we are not even pioneering. But that is not a complaint, it is just a matter of recording for the record that this is pretty ordinary stuff. Most legislatures across Canada have moved towards this for long ago. Now I do want to bring out a couple of points that I think are important and that do not detract from the principle of the bill but I think are certainly significant in considering the principle. The first is, we come to section three, and that is in sub-section three of section three, it provides in certain circumstances a doctor - I am sorry, not a doctor - a druggist, a dispenser shall - shall, not may - shall provide drugs other than the lowest listed one. I simply want to ask the minister, perhaps when he speaks to close the second reading debate, if he will tell us who determines the general availability of the distribution of a drug. The clause, as Your Honour will note, is hinged upon the words 'generally available' because those whether or not a drug is 'generally available' is the factor which determines whether or not it shall be dispensed in a situation where the druggist does not have the lowest priced one to have. He must substitute, but he must substitute the higher priced one at the low price, assuming the low priced one is generally available, I want to know who decides that, please, and whether that will be noted in the Formulary? And also I think there is a grievous flaw in section eight, and I will bring this to the attention of the minister in the hope that he would consult the draftspeople with a view possibly to amending it. Section eight says in its entirety, " for the purpose of avoiding doubt, it is hereby declared that no action lies against any person because of the prescribing or dispensing of a substitute drug listed in the Formulary - capital F - under this act." Now I know what they are getting at, but I would say to the minister that that clause does not meet the need, because I venture a legal opinion - and I think it is a sound one - that would absolve a person dispensing a drug in the Formulary and dispensing it negligently. I want to see -

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RA - 3

MR. E. ROBERTS:

I am not offering words to go
in the section - but I thought I do offer, I want to see words put in
that section that would say that, you know, this does not remove
the responsibility of the person dispensing the drug to act with
due care and caution and not negligently, and I am sure the minister

MR. ROBERTS:

would agree with that. But I say to him that that section, which is not offensive in its principle, but that section does provide, I think, a defence to a change - I do not use that as a criminal charge - a defense to an action at common law that a druggist had acted negligently. What is needed, I think, is that we want to say, and the section comes close to it, that simply because a person substitutes paxel, to use my earlier example of the Diazepam, instead of librium or valium, that that in itself is not the ground for an action. But if the druggist is told to prescribe, shall we say - I am just using figures - five milligram tablets of diazepam and prescribe twenty milligram tablets, and as a result the patient suffers an overdose from taking the number of tablets, then that action should still lie against that pharmacist. And yet this section here, as it is now written, in my view is open to a lawyer coming in, defending that negligent pharmacist and saying 'but, My Lord, dismiss this action because section 8 of the Generic Dispensing Of Prescription Drugs Act says that no action shall lie because of the prescribing or dispensing of a substitute drug and the defendant in this action dispensed a substitute drug'. So you have got to find better words than that, I say to the minister. I think it is possible, I think it is just a case where adequate instructions have not been given to the draftsmen, and surely there is time between now and committee stage to consider the point and I would think it is one where an amendment ought to be brought in. It is not a political or partisan issue. I do think, though, that the bill is capable of being improved in that respect.

Finally, Mr. Speaker, I do want to say that we on this side, with a note of regret, have come to the realization that this great reform that was trumpeted by the Premier is not really of any value in addressing what we believe to be the really serious problem in Newfoundland and Labrador today, and that is the case of those persons, particularly older people, who are not economically capable, to use an old phrase we do not hear anymore, are medically indigent, perhaps I should say pharmaceutically indigent.

Five minutes left! I have not been speaking for an hour! Well now, I wish the clerks, Mr. Speaker, with all respect, would get their act together. I understand I have an hour to speak in respect to a bill and I do not mind being given notes but if the clerks would be kind enough to get their act together,

How long have I been speaking, twenty-five minutes? Well, that is fine.

MR. SPEAKER: They left out (inaudible)

MR. ROBERTS: Well, no. They left out a three, Your Honour, I am not berating the clerks but the Standing Orders do say that the member speaking in response to a minister is allowed an hour. I do not intend to use the hour, but I will probably need more than five minutes. I could use the hour if Your Honour wishes. Your Honour, I think, would agree I am capable of it.

AN HON. MEMBER: (Inaudible)

MR. ROBERTS: I shall say nothing of that, Sir, except to say that the Premier was talking about cows and we are used to hearing him talk about bull, Sir. Now, Mr. Speaker, where was I before this unseemly interruption by Your Honour.

I was saying there are a class, or there is a class, to be grammatically and syntactically correct, of people in Newfoundland who are pharmaceutically indigent. In the old days we used to use the term medically indigent, in the old days before Medicare. A medically indigent person or a pharmaceutically indigent person is not an indigent person; he or she is simply a person who cannot afford to provide the type of money that is needed to buy medical services, where they were to be purchased as they were in many places in the old days or in this case drugs. And it is quite possible for a person to have prescribed for himself a regime of drugs that is a very expensive regime and will still be expensive even with the generic substitutes. This can be a very heavy burden economically upon people. Now this bill does absolutely nothing to address itself to that at all. The government -

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Tape 1781

MB - 3

MR. ROBERTS:

I could make a very heated speech about the shabby treatment of a bunch of men, as they then were - they are now a bunch of men and women - of government, who before the election, speaking through the mouth, through the lips of the gentleman from St. John's East Extern, I am not sure what his Cabinet Portfolio was then - it is now the Minister of Social Services (Mr. Hickey) - held out to people a belief that they would be giving, that the government would be

MR. ROBERTS:

presenting to the House and to the people of this Province a programme to help the medically indigent people, and then after the election the government repudiates that callously, carelessly and, I think, cynically. I want to say quite simply that there is a need. It would cost, I am told, about a million dollars a year. A million dollars a year to do what? It would cost about a million dollars a year to bring in a pharmacare programme for senior citizens. We are now the only Province in Canada, I understand, Mr. Speaker, that has no provision for senior citizens. We do have provision for a person getting social assistance, and if he or she happens to be over 65 then, you know, you are still qualified, but there are many people - and the older people are much more subject to this because, as we get older, we use more drugs and the need is greater - there are many older people who do not qualify for social assistance. They do not come within the rulings of the Department of Social Services and who, yet, find it a very heavy burden to provide themselves or their family, their spouses, usually, with the drugs that are needed. I would think any one of us who deals with constituents, and I would think most of us do, can find examples. There is not one of us in this House, I venture, Mr. Speaker, who has not at some point in the last - well, the guys who are new it does not apply to - but at some point within the next year then, including the members newly elected here, has not had a letter from a constituent who is finding it a very heavy economic burden to provide himself or herself with the drugs that are needed. You know, a few of the hon. gentlemen opposite here - my friend from Harbour Main (Mr. N. Doyle), I am sure, has run into that, or my friend from FORTUNE BAY and Hermitage (Mr. D. Stewart) or my friend from Humber West, or the gentleman from St. John's Centre (Dr. McNicholas), both in his work as a member and in his professional life as an ophthalmologist, you know, has run across people who cannot afford, have to do without something else, have to do without some necessity, to provide themselves with drugs. Now, I say to the minister that

MR. ROBERTS: the government are going to save a lot of money on this bill. It will probably save them a million bucks a year. I have not looked up - I might as well though - what we are spending -

MR. HOUSE: About \$4 million.

MR. ROBERTS: I am sorry?

MR. HOUSE: Approximately \$4 million.

MR. ROBERTS: We are spending about \$4 million now through the Canada Assistance Plan on, you know, the drugs for social assistance people. Now, we will save at least a million on that. The government will be at least a million bucks in pocket because of the subsidy, and I think that is a fair estimate. If this bill, this new plan, does not save one dollar out of four then it is not doing its job at all. We will save at least a fourth. So there is the million bucks. The minister does not have to win the favour of the flinty denizens of the Treasury, who instinctively say 'no' to any proposal to spend money. They always have and they always will. You know, perfectly decent people when they go to work for the Treasury become flinty eyed, hearts of stone, bowels without compassion, simply because they work for the Treasury.

MR. STAGG: Bowels have no compassion.

MR. ROBERTS: Yes, and the hon. gentleman from Stephenville (Mr. Stagg) is a bowel without compassion. And I mean when I say, though, there is something about - maybe it is some sort of blinkers which the people who work in the Treasury, ministers and officials alike - and I have known some perfectly fine chaps, Sir, who have become ministers of finance, and when they get to be minister of finance they cease to be fine chaps and they cease to regard that most people in the world, you know, may need some help once in a while. Then when they cease being minister of finance, as in due course they do, they become perfectly human and decent again. I mean, John Crosbie was perfectly human and decent when he was not

MR. ROBERTS: the minister of finance. We will find out tonight.

MR. STAGG: (Inaudible).

MR. ROBERTS: Yes, I think a generic drug is quite relevant to this. We will find out tonight, we will all need Valium after tonight. We will need tranquilizers. I say to my friend from Stephenville (Mr. Stagg) that he would be better at home answering letters from humble solicitors soliciting an answer from him, than trying to show his lack of knowledge of the rules of this House because what I say is perfectly relevant.

MR. STAGG: I will give my client an ultimatum.

MR. ROBERTS: The hon. gentleman is giving his client an ultimatum. His client may give him an ultimatum, there being a second lawyer now in the Town of Stephenville to go to.

MR. SPEAKER: (Simms) Order, please! I think that is irrelevant.

MR. ROBERTS: Is it? I would think, Sir, it is completely relevant to a pharmacare programme. To wander back to the point in response to Your Honour's ultimatum, I would say to the minister that, you know, this need for senior citizens is a very real one, and I have just shown him how he can find a million bucks. He does not have to ask the Treasury for another nickel. He can simply say, "Look, I have saved you enough, I have saved you enough on the

MR. ROBERTS:

generic drugs, saved you enough there to enable us to finance a pharmacare programme for senior citizens." maybe a programme whereby every senior citizen pays the first buck on a perscription or the first 10 per cent or something. And there are certainly people who do not need it but there are many, many people throughout this Province - and there are few things more heart-rending than getting a letter from an old lady who is having to take a list of drugs a mile long, all of them legitimate, all of them prescribed by the doctors, and she is living on an income just above social assistance, just above the line where she can - now if she were lucky enough not to have that income, she could go and get a card, or whatever it is, from the welfare or whatever they call them, they are not welfare officers anymore.

AN HON. MEMBER:

Social workers.

MR. ROBERTS:

Social workers. A damn few of them work on occasion, I can tell you. But the social workers give you - you know, you get in the system and you get your drugs then. But if you are unlucky enough to be just above the line then you cannot get any help and you are on your own. And, as I say, I would think every member here has run across a case or two of that in working with his constituents. And these are people who deserve help. These are people who need it. And the minister can find the money. And that technique works, you know. When I was Health Minister I persuaded my colleagues in the Cabinet, including my friend from LaPoile (Mr. Neary) - is he the only one left? How we change!

MR. NEARY:

Only a couple of us survived it.

MR. ROBERTS:

A couple of us survived and there are a couple more on the other side, when the tide sweeps out on them.

MR. NEARY:

That is right.

MR. ROBERTS:

But, Mr. Speaker - and may there be no moaning at the bar when the tide goes out to sea, Mr. Speaker -

AN HON. MEMBER:

(Inaudible).

MR. ROBERTS:

When I see the gentleman for St. John's North (Mr. J. Carter), I think we all need a bar or a barrier.

MR. ROBERTS:

Mr. Speaker, the point, though, is when I was Health Minister I sold my colleague from LaFolle (Mr. Neary), and a number of others, a bill of goods and a legitimate one. We increased the programme of dental care for children, the programme of free dental care for children, and I financed it by bringing in my famous or infamous proration scheme for the doctors, which caused the doctors no hardship but gave the treasury enough money to be able to finance the extension of the programme for dental care for children which I think was a much better use of the money. I would say to the minister now that he is going to save at least \$1 million with this bill. And the only people - the citizens of the Province will not lose this - the only people who are going to lose it are the shareholders of these great, expensive drug companies and I hold no brief for them. Their indecent profits will be a little less indecent now. So we are taking \$1 million a year out of the pockets of the shareholders of these companies. Now the only question is, where is that \$1 million going to go? Is it going to go into the maw of the Treasury and be used for all the myriad of purposes that the Treasury use money for, or can the minister use the eloquence which is his to command and convince his colleagues to do something that needs to be done and that is bring in a pharmacare programme? A million bucks, I understand, from people - and I have taken counsel with people in the field - would go a long way towards providing the senior citizens of this Province with assistance in drugs. And I would think it should be a (inaudible). Maybe after, you know, I could suggest variations. If I was being the minister I could be very creative about this. Maybe the first fifty dollars a year of a drug bill each of us pays, or a senior citizen pays but after that the government picks it up through the pharmacare. You know, there ought to be some way to be equitable and I think that that is a very much needed reform in this Province. It is probably the one gap left in the spectrum of social services. So I would say to the minister that if he - you know, he is not particularly proud of this bill and I can understand that. It is a good bill. It will get support and it will do some good, but the real good this bill can do is not just

MR. ROBERTS:

in cutting down what people pay for drugs, but in using some of that money to benefit the people who need help. And if he really wants to make a mark as Minister of Health - and I believe he does, and that is a legitimate and a laudible aim - then let him adopt the kind of suggestion I have made. Politically it would be a good thing. I mean, his own colleague, the gentleman for St. John's East Extern (Mr. Hickey) did promise it and has now reneged on that promise or had it taken out from under him. I know it is a new administration but, you know, it is the same group of men and a rose by any other name is just as sweet, and a government by any other name - administration, I should say - by any other name smells just as badly. So, you know, the minister has an opportunity here and I have shown him how he can go to the flinty-eyed fiends of the Treasury or the Treasury Board and say, "It is not going to cost us any money and I can do some good. Please let me go ahead with it."

But the bill itself, Sir, I think is a step forward. I think that it should not be sold as a great reform because it is not a great reform, but it is a progressive piece of legislation, and, that being so, we will support and we will do so gladly. Thank you.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER: (Simms)

The hon. member for Placentia.

MR. PATTERSON:

I would like to say a few words on this bill. I am sure all members on this side of this House and on the opposite side of the House would certainly go along with the views expressed by the member for the Strait of Belle Isle (Mr. Roberts) with regard to providing drugs for senior citizens. Now, I do not know what the cost would be, and if the cost is a million dollars that is hoped to be realized through this procedure would be sufficient to do it. I have a long interest in drugs and dispensing of drugs. I did a study of a Royal Commission that was set up by the Federal Government of Canada to deal with this matter. At that time, I took it up with the Liberal government of Newfoundland. I wrote several letters to the Telegram. I wrote the Minister of Health of that day and the letter came back stating, "It is not our policy to become involved with private enterprise. We do not want to do anything that conflicts with private enterprise." At that time, I was suggesting that the drugs in the outports be dispensed through the hospitals and through the nursing clinics. But that was the attitude of the Liberal government of that day. I have letters to prove it, letters published in the Telegram giving the prices of drugs as high as 1400 per cent.

MR. NEARY:

You are getting worse than the member from St. John's North (Mr. Carter) now, you are -

MR. PATTERSON:

I hope I am getting better, I hope I am getting better.

MR. NEARY:

- you are so bigoted.

MR. PATTERSON:

Is there anything bigoted about supplying drugs to people who cannot afford to buy the drugs? First, you are against the councillors, now you are against the old aged people who cannot afford to buy the drugs.

MR. ROBERTS:

(Inaudible) say it was.

MR. PATTERSON:

Well, if you were listening, he said I am bigoted; he said I am very bigoted as a member.

MR. ROBERTS: I know the hon. gentleman is bigoted.

MR. PATTERSON: Pardon?

MR. ROBERTS: I know the hon. gentleman is bigoted.

MR. PATTERSON: You do know, well, that is about all you know. You are wrong on that one.

MR. ROBERTS: (Inaudible) new members.

MR. PATTERSON: I am telling you that I wrote the Minister of Health in the Smallwood government, I produced the letters here, and they wrote back and they said, "Look, it is not our policy to become involved with free enterprise".

MR. ROBERTS: But what has that got to do with this?

MR. PATTERSON: I was trying to get the drugs back into the cottage hospitals.

MR. ROBERTS: What has that got to do with this?

MR. PATTERSON: Down in the hon. member's district of -

MR. ROBERTS: But what has that got to do with this bill?

MR. PATTERSON: If you would listen, you would learn, but that is what is wrong with you, you do not listen, you cannot listen.

MR. ROBERTS: Mr. Speaker, on a point of order, I am quite prepared to listen, but the hon. gentleman -

MR. SPEAKER: (Butt) On a point of order, the hon. gentleman for Belle Isle.

MR. ROBERTS: The Strait of Belle Isle, Sir.

MR. SPEAKER: The Strait of Belle Isle.

MR. ROBERTS: The hon. gentleman, like any of us, has to be relevant, and I would ask -

MR. PATTERSON: Is there anything more relevant than speaking -

MR. ROBERTS: Mr. Speaker -

MR. PATTERSON: -of drugs? I am not talking about turnips or feed -

MR. SPEAKER: Order, please!

MR. PATTERSON: - or cows or sheep, I am talking about drugs.

MR. SPEAKER: (Butt) Order, please! Order, please!
The hon. member for the Strait of Belle
Isle on a point of order.

MR. ROBERTS: Thank you, Sir. Now that the gentleman
from Placentia (Mr. Patterson) has resumed his seat, I want to simply
say that he must abide by the relevancy rule as we all must, and the
relevancy rule quite wisely is widely interpreted, and so it should be of a
considerable degree of latitude, but I fail to understand, and I would
simply ask Your Honour to ask the hon. gentleman to bring his remarks
to the point of this bill, which deals with lower cost prescription drugs.
What that has to do with free enterprise is neither one way or the
other, and I just ask Your Honour to draw the hon. gentleman's attention
to that rule.

MR. PATTERSON: (Inaudible) possibly (inaudible).

MR. SPEAKER: To the point of order, the hon. gentleman
for Placentia.

MR. PATTERSON: When I studied the report of the Royal
Commission on Drugs, I became aware that drugs -

MR. ROBERTS: What was it on?

MR. PATTERSON: - drugs - the Royal Commission on Drugs -

MR. ROBERTS: (Inaudible).

MR. PATTERSON: Yes - no, no, it was not. It was set up
in 1960 by the Diefenbaker government, about -

MR. ROBERTS: (Inaudible).

MR. PATTERSON: 3000 pages, yes.

MR. ROBERTS: They will show up.

MR. PATTERSON: And they stated - it was stated in that
report that drugs were selling as high as 600 to 1400 per cent. ...

AN HON. MEMBER: (Inaudible).

MR. PATTERSON: It was more expensive -

MR. SPEAKER: Order, please!

MR. PATTERSON: - to buy the drugs in a corner drugstore -

MR. SPEAKER: Order, please!

MR. PATTERSON: - than it would be in a hospital.

MR. SPEAKER: (Butt) The hon. gentleman is speaking to the point of order? Is the hon. gentleman speaking to the point of order raised by the hon. member from Belle Isle?

MR. PATTERSON: No, I am just continuing with my remarks.

MR. ROBERTS: Learn the rules of the House.

MR. SPEAKER: First I have to rule on the point of order. I rule that this is a difference of opinion and the hon. member for Placentia (Mr. Patterson) -

MR. PATTERSON: The hon. member for Lapoile now would like me to bring up a few speeches he made when he was opposed to the Liberal government and how the people on Bell Island, the poor, downtrodden people, who were no longer - they were neglected because of the Liberal party -

AN HON. MEMBER: (Inaudible).

MR. PATTERSON: I do not want any of your kisses, come back and listen. Yes, he will not come back and stand his ground now, because I could go down and bring up those speeches. When he attacked the Smallwood government over decertifying of the I.W.A. -

MR. NEARY: A very weak defence.

MR. PATTERSON: It is not a very weak defence. If you would learn to listen, you would probably move up in the front benches; you are on the back benches, and that is where you are going to stay.

The hon. member says that

MR. PATTERSON: it is not relevant. He is talking about using \$1 million we hope to realize if this bill is enacted and transfer it to the poor people. I am sure all hon. members on that side and on this side are concerned with the people who cannot afford to buy drugs.

SOME HON. MEMBERS: Hear, hear!

MR. PATTERSON: Now, I could not be any more relevant than that. But down in the hon. member's district for St. Mary's - The Capes they were getting their drugs at the clinic there, so that has been cut off and these people have to drive forty miles into Placentia to pick up a few drugs, so I think that is wrong.

MR. ROBERTS: Has the present government changed that policy or have they carried through with it?

MR. PATTERSON: Well, it was only a few weeks ago it was brought to my attention. I intended to bring it to the hon. member's attention. I am sure he will pursue it and I will assist him with that.

MR. ROBERTS: I will simply say to the hon. gentleman that I think there is a lot in what he says on that point, but I will tell him that the present administration, and their predecessor the Moores administration, have followed that policy unreservedly and the Minister of Health (Mr. House), I think, could name a half dozen examples where hospitals have stopped selling drugs and private pharmacists have set up. That policy continues. So if you are going to nail the Smallwood administration, go at it, but be consistent because the others are still doing it.

MR. PATTERSON: That policy was first enacted in Newfoundland in 1966 when the drugs were taken out of the Cottage hospital in Placentia and transferred to the drug store. That was a Liberal policy.

MR. ROBERTS: It is still there in 1979 under the Tory government

MR. PATTERSON: I am not trying to hide that.

I mentioned the fact that these people down the shore -

AN HON. MEMBER: It is still an (inaudible) policy. I can name you six or seven

MR. PATTERSON: But it is not a good policy.

It is not a good policy. That is all I have to say on this bill. I support the bill. It is a good bill. It does not go far enough and I am sure once the oil is found off the coast there in sufficient quantities we will be able to provide our senior citizens with drugs.

SOME HON. MEMBERS: Here, here!

MR. SPEAKER: (Butt) If the hon. Minister of Health speaks now he closes the debate.

The hon. Minister of Health.

MR. HOUSE: Mr. Speaker, I just want to thank the hon. members for their support of the bill. I also want to commend the Leader of the Opposition (Mr. Jamieson) and my colleague here for their remarks and I do not want to let it go without saying that I did have excellent advice from my staff, the Deputy and other members of the staff. Now I want to get down to a couple of the points that were made there. The member for the Strait of Belle Isle (Mr. Roberts) was mentioning the differential in price. It is very, very dangerous, I think, to say that we can save twenty-five per cent or \$1 million on the indigent drug programme because you do not know exactly what can happen. I do not expect that the prices will remain static, what they are now.

AN HON. MEMBER: (Inaudible)

MR. HOUSE: There is, yes, my number. There was perhaps an eighty per cent saving in some drugs, particularly when you can get them for two cents in one situation and you can get them for seven in another.

MR. ROBERTS: If the hon. minister would yield for just a second? The ones I choose, the two I gave, were very high volume. Those two classes of drugs may together account for as much as fifty per cent of the prescriptions written, or whatever the phrase is - issued, made, prescribed - in this Province, so it is significant in that sense. I just did not take an isolated example or two, I took the

MR. ROBERTS: big ones.

MR. HOUSE: I want to mention that in that particular group there is first something like six particular drugs and they do range from two cents, or just below two cents to seven - between the highest price and the lowest price. The one other point there that he did mention, about who dispenses, we are aware that there are more than pharmacists dispensing. We have, I think, in the Province, we have a lot of medical officers who do dispensing, particularly in the remote areas. In one or two cases, I believe, we still have nurses dispensing. We are trying to eliminate that. The Pharmaceutical Association itself is trying to eliminate that, but of course you will not be able to do that until such a time as the Province is properly serviced by pharmacists.

MR. ROBERTS: And in so doing it, in fact, you are going against the point advocated because that is why hospitals are being stopped from prescribing drugs. You cannot have it both way.

MR. HOUSE: Now we get back to number 3B(2). Now the hon. member mentioned, I think, where the lowest price substitute drug is not generally available within the Province.

MR. ROBERTS: Yes. I wonder who determines that.

MR. HOUSE: Well, I think it will be determined perhaps the department and the formulary, the people who develop the formulary, I guess. The reason for that particular phrase there or that particular clause is the fact that there may be some time that the firms are not able to supply and in the event of a strike, for instance, the Roche firm may have a strike and cannot supply the drug. In that case you would not have to pay for the cheapest drug, you would pay for the second or whatever one was available.

MR. ROBERTS: They will be notified, will they?

MR. HOUSE: Yes.

MR. ROBERTS: You know, a flier will go out saying here are the generally available drugs this week or this month.

MR. HOUSE: Right. I think that would be the proper channels, the proper way to do it. Now the other one that the hon. member mentioned there was section 8 and I do not know if that should be in there at all to begin with because -

MR. ROBERTS: Oh, yes it should be, yes.

MR. HOUSE: Well, I just want to point out that the first is there just absolving people from blame for following the act.

MR. ROBERTS: If the minister will yield for a moment?

MR. HOUSE: Right.

MR. ROBERTS: I suggest to him, Mr. Speaker, it ought to be in there because otherwise you could have - I know it is asinine, but as somebody in Dickens said, 'The law is an ass! You could have somebody following the act and yet open to an action for damages because he had prescribed something. So I think it is relevant that it is in there although there might be a defense that, you know, a person following a statute. But the fact remains that it is easier to put it in there provided the negligence point is dealt with.

MR. HOUSE: Mr. Speaker, what I was going to say is that all that is doing is saying there will be no action taken against a pharmacist for following the law or for living up to the tenets of

MR. HOUSE:

this act. There is a Pharmaceutical Act -

MR. ROBERTS: That is not what it says. That is not what that section says.

MR. HOUSE: - that makes a pharmacist liable if he, for instance, over-prescribes, if he gives a ten milligram pill rather than a two and of course it knocks somebody out, that is taken care of in another act.

MR. ROBERTS: I am not (inaudible).

MR. HOUSE: But possibly, Mr. Speaker, if we - and it is not changing it, it is just perhaps clarifying it by saying perhaps for the purpose of avoiding doubt it is hereby declared that no action lies against any person by reason only of the prescribing or dispensing of a substitute drug in accordance with this act.

MR. ROBERTS: Words like that and I think that -

MR. HOUSE: It is the same thing pretty well.

MR. ROBERTS: If the minister would yield again since, you know, we are in an interesting and constructive dialogue. He, I would suggest, might consult with the legal officers because, as we have all learned, there is nothing causes more grief than amendments being drafted other than by the officers who do it. But that sort of thing would do it or we could add notwithstanding, you know, the negligence or what have you, but that sort of thing, sure. That will take care of it.

MR. HOUSE: Mr. Speaker, we will look at that when we are in third reading.

MR. ROBERTS: No, no we will not, no. Committee reading.

MR. HOUSE: Committee reading. Mr. Speaker, with regard to the senior citizens, of course this act is not, this is only an act to prescribe lower cost prescription drugs but I will point out that there are a number of drugs that we are prescribing in the indigent drug programme, there are senior citizens who have a lot of drugs, for instance, insulin and that sort of thing, and if

MR. HOUSE:

they only have the income they have from old age pensions, in a lot of cases they are prescribed with a drug card and of course we have one very particular one, that is the cystic fibrosis for younger children or for anybody. Of course, they all get free drugs. And we still have, of course, the dental programme which is extended and quite a good programme. So we are not completely void when it is helping out people who are in need.

So, Mr. Speaker, I would thank members once again for their support on this bill and I move second reading.

SOME HON. MEMBERS:

Hear, hear!

On motion, a bill, "An Act To Provide For The Provision Of Lower Cost Prescription Drugs", read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 12).

MR. SPEAKER:

Order 4, Bill No. 17.

On motion, second reading of a bill, "An Act Respecting Small Claims". (Bill No. 17)

MR. SPEAKER:

The hon. President of the Council.

Mr. Marshall: Mr. Speaker, this, although a significant Act, I do not think it will probably engender a great deal of debate, although I would be very interested to hear what any hon. member may wish to say with respect to it. This Small Claims Bill will be the second bill that we propose to present to this House for the purposes of replacing the present Summary Jurisdiction Act. The other bill that will be presented to the House will, if we get to the next Order of the Day, will be Order 5.

This particular bill, the Small Claims Bill would provide a framework for rules on practice and procedure to deal specifically with small claims. One important change in this bill is that jurisdiction in small claims would be increased to the amount of \$1,000. In other words, the Small Claims Court which is envisaged will be considering amounts of up to \$1,000. At present the Provincial Courts jurisdiction is limited to \$500, as hon. members may know, particularly the hon. member for Grand Bank (Mr. Thoms), except in the cases of municipal taxes in which cases then the jurisdiction of the court is \$1,000. This is, for members who may not be aware, the jurisdiction then of the Provincial Courts, formally known as magistrate courts.

The bill also provides for a rules committee to make rules and procedures relating to small claims including costs, recording, and pleadings in small claims, because it is necessary and the government is very concerned about implementing a means whereby small claims can be dealt with expeditiously and as cheaply as possible.

The Provincial Court judge would have the power to subpoena necessary witnesses, this is also in the bill. The present provisions, as I say, of the Summary Jurisdiction Act providing for examination of a judgment debtor and order for payments by him in appropriate installments have also been included. The court itself, of course, as any Provincial Court, will provide that appeals may in certain instances be made to the District Court.

So in essence really what this does is it sets forth, it amends, and replaces the Summary Jurisdiction Act to

Mr. Marshall: provide with respect to small claims, and I think the most important, salient matter about this bill is that it increases the jurisdiction to \$1,000.

MR. SPEAKER (SIMMS): The hon. member for Grand Bank.

MR. THOMS: Mr. Speaker, in connection with this bill, I think the President of the Council (Mr. Marshall) touched on a couple of things that I was going to mention in connection with it as well. I am assuming in this particular bill that the figure of \$1,000 is just in a sort of - I am not sure what the rationale, you know, it was just plucked out of the air, it is an arbitrary figure. And I am not so sure that we could not give jurisdiction to the Small Claims Courts of a figure a little higher than this, maybe even double it to \$2,000. But be that as it may, it is an arbitrary figure and I am certainly glad to see the figure being raised from \$500.

The Rules Committee is also an extremely good idea in connection with this matter, so that rules can be made that would make it a little easier for the person who is owed smaller amounts of money to go into court and be able to use the process of the law to collect the money that is owed. And, of course, to make it easier so that the ordinary individual who is owed a small amount of money can go in without a battery of lawyers with him, because in lots of cases, of course, where you do have a small amount of money owing people are reluctant to use the courts because, you know, you recover \$100 and you pay a lawyer \$150 and it is not a very good return on your investment.

I would like to ask the President of the Council to confirm or otherwise in connection with this particular section the Rules Committee is to consist of, the ones who will make the rules, consist of two judges, one of whom is the chief judge - that, of course, is the chief judge of the Provincial Court under this Act - a member of the Law Society of Newfoundland designated by the Benchers, appointed by the Benchers, and then one person designated

MR. THOMS: by the Attorney General. This gives me just a little bit of hesitation. I have not had the opportunity really to give it a great deal of thought. I am wondering if the idea behind this particular - the appointment of one person by the Attorney General is that this would be a layman who would serve on this committee. I suppose that in the strict sense if it is not to be a layman then of course you really have three people representing the Department of Justice or the Attorney General on this committee because really the Attorney General is the boss in a sense of the judges. For myself, I would like to see here a lay person being represented on this committee, who, I think, could bring some good ideas to such a rules committee when they formulate the rules in connection with the practice and procedure and so on. Apart from that, I believe the President of the Council mentioned the fact that it is a new procedure to give the judge the authority to subpoena a witness or any person who is necessary to be a witness to appear before the judge. I do not think this act needs a great deal of debate, Mr. Speaker, except to say that we will support it.

MR. SPEAKER: (Simms) If the hon. the President of the Council speaks now and he will close the debate.

MR. MARSHALL: I would just like to reply briefly to the few items mentioned by the hon. member for Grand Bank, Mr. Speaker.

First of all, I would agree with him, as he indicates, that the selection of any amount has to be arbitrary. The fact that it is a \$1,000 I think is indicative of inflation. It was not so long ago it was \$200, and then it went to \$500 and now it is \$1,000.

AN HON. MEMBER: (Inaudible)

MR. MARSHALL: He suggests \$2,000. I have no doubt in the not too distant future it probably will go to there, but we had to pick a figure and \$1,000 was thought to be the reasonable one at the time. With respect to the rules committee, I think his suggestion is quite good that we should have really a layman on that rules committee and I will

MR. MARSHALL: . . . certainly pass it on to the Minister of Justice. I do not think, though, that we would like necessarily to provide that it should be a layman because I think it is necessary to get someone who is suitable for the position. If you can get a suitable layman, I will certainly pass it on. So with those two observations, Mr. Speaker, I move second reading.

On motion a bill, "An Act Respecting Small Claims" read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 17)

On motion, second reading of a bill, "An Act Respecting Provincial Offences And Provincial Court Inquiries". (Bill No. 16).

MR. SPEAKER: (Simms)

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, I refer to this when introducing the last act. The Small Claims Act and this present Act that has, even though its long title is "An Act Respecting Provincial Offences And Provincial Court Inquiries," its short title is the Summary Proceedings Act. And this particular act, the Summary Proceedings Act with the Small Claims Act, will replace the previous Summary Jurisdiction Act. The need for this act as well as the Small Claims Act is because the previous act is really out-of-date. The fact of the matter is the Summary Jurisdiction Act was enacted and has been with us since Confederation. And this particular act replaces and modernizes those provisions dealing with provincial offences, including traffic offences, and provisions relating to the Canadian Criminal Code have been adopted by reference into the act, and result in procedures and forms being standardized with those provided for in the Criminal Code. So the necessary aim of parts 1 and 2 of the act is to make the act a bit easier to be followed and to be able to bring it in in conformity with the present situation in the Province. Part number three of the act relates to magisterial inquiries, and the provisions really are

MR. MARSHALL: substantially the same as under the Summary Jurisdiction Act. We want to have both of these in two separate acts, but there is one significant change or one change of note, shall we say, is that there will no longer be any discretion on the part of the magistrate to hold a magisterial inquiry. There would be, though, two situations where an inquiry may not be held, can be dispensed with, and this is, firstly, where the Director of Public Prosecutions decides that an enquiry is unnecessary, or, secondly, where a medical practitioner certifies death was solely caused due to natural causes. At the present situation, if there is a violent death there must automatically be a magisterial enquiry and this would -

AN HON. MEMBER: Accidental or otherwise

MR. MARSHALL: Accidental or otherwise - require an enquiry to be held but this would allow in the event of a medical practitioner giving a certificate showing that it was actually due to natural causes that there would be no need to go ahead.

MR. D. JAMIESON: Just a brief question.

MR. W. MARSHALL: Go ahead.

MR. JAMIESON: Just informally that would apply to highway accidents. Is it a case now that every highway accident has to have a magisterial inquiry?

MR. MARSHALL: It is my understanding that every death that occurs through, you know, violent means or so-called accidental means, shall we say, there has to be an inquiry. Most of them are really perfunctory and really are part of the archaic proceedings which really take up the time of the courts where the courts could be occupied in other areas much more profitably and thereby expedite the general overall proceedings of the court itself. So those are the changes, it is really a companion act to the Small Claims Act, and Mr. Speaker, I will end the debate and answer any questions that may arise.

MR. SPEAKER: (Simms) The hon. member for Grand Bank.

MR. THOMS: Mr. Speaker, just a couple of words on this act. I think the President of the Council (Mr. Marshall) understated when he said that one of the changes would be that the bill would provide that all inquiries would be held in public. I think this is a commendable change in the law. It is my own personal opinion again that all inquiries, whatever nature, really should be open to public scrutiny. This is why, when in this House some time back I was questioning the Minister of Health (Mr. House) in connection with certain happenings in the Waterford Hospital, that wherever you have inquiries that are not open to the public there is always a temptation on behalf of the public to believe that something is being swept under the rug. To me it is of paramount importance that inquiries that are carried on, not only under this act but in all respects in this Province, where possible - there always, of course, can be some exceptions - but where possible should be held in public. Then the people can see and decide for themselves whether or not cover-ups are taking place. I think that is a significant change in this act and one for which the government is to be commended.

MR. SPEAKER: The hon. member for Lapointe.

MR. LAPOILLE: Mr. Speaker, I have no wish to delay the proceedings of the Committee, but there are one or two observations that I want to make under this act. First of all, Mr. Speaker, I would like to talk for a few moments about search warrants and how easy it is to obtain a search warrant in this Province. As I understand the law, in order to secure a search warrant, a peace officer, whether it be under the Criminal Code or under the Summary Jurisdiction Act, a peace officer has to go down before a magistrate and take an oath that in his opinion a crime has been committed. Then the magistrate will, on the basis of the evidence submitted, grant a search warrant. Now I would like to know, Mr. Speaker, I would like to know how much thought and how much research the magistrate puts into an application for a search warrant before he issues the search warrant. Mr. Speaker, why do I ask a question like this? Well, I have been the victim myself as a member of this House of an RCMP officer going down before a magistrate, - who was the chief magistrate, by the way, the chief judge, I believe they call him, the chief magistrate who is now the Director of Public Prosecution for this Province - went in, wanted to get a search warrant to search my office, took an oath and stated under oath that in his opinion a crime had been committed. And what was the crime? The crime was that a Montreal businessman had defrauded from the Newfoundland - not defrauded, had extorted from the public treasury of this Province \$5,000 under

Mr. Neary: threat of exposing certain documents that he had in his position.

AN HON. MEMBER: (Inaudible).

MR. NEARY: I know the Speaker refused, and I am coming to that, Mr. Speaker. And so the search warrant was issued and the RCMP brought it to the Speaker of the House, The Speaker of the House allowed my office to be searched, and I came into the House a day or two later and I asked the Minister of Finance if in fact this Montreal businessman had been paid any money from the Public Treasury, if indeed he had obtained the money under threat, had extorted the money under threats of exposing certain documents? And the answer that I received was that the money had been paid for services rendered. The money had been paid for services rendered.

AN HON. MEMBER (Inaudible).

MR. NEARY: Bill Doody, when he was Minister of Finance, answered the question. A search warrant obtained under false pretenses! Now I am not arguing about the Speaker letting the RCMP come into my office, which he should not have done. I also raised that matter in the House, and it was a breach of my privilege, so I was told by the Speaker, and the matter was referred to a Committee of Privileges to deal with - the matter was never dealt with. It still stands on the record. And as my hon. friend, the member for Bonavista South (Mr. Morgan) indicates, only the other day up in Ottawa the Speaker refused to allow the RCMP to go into a member's office. And now that we have a new Assembly of course, there has been an election, the House was prorogued, we have a new Assembly, I doubt if we have a Committee on Election and Privileges, so the matter has died, I presume, Mr. Speaker. I do not know if Your Honour can reactivate it. My privileges were breached. It was the Speaker, Your Honour's predecessor, referred it to a Committee of Elections and Privileges and that Committee never met and an election was called and that dastardly act still stands on the record of this House and this Province, and will be cited in years to come, Sir, as a precedent - a search warrant obtained under false pretenses! You know, how much

Mr. Neary: thought was put into granting that search warrant? And when I appealed to the Chief Magistrate, by the way, to the Court and to the Minister of Justice of that day, who is now a judge of Supreme Court, and asked that the matter be straightened out and how it could happen, I was told by the Minister of Justice and by the Chief Magistrate, I was told I could get a lawyer, go to the expense of getting a lawyer to try to have the matter quashed.

What kind of foolish nonsense is that? What kind of law is that? A search warrant issued under false pretenses, probably by somebody who committed perjury to get the search warrant, and I am told to get a lawyer to have it quashed. I am told to go to the expense to get a lawyer to have it quashed. Now how many times, Mr. Speaker, has that happened in this Province, I ask Your Honour, how many times?

It has probably happened on numerous occasions. The lawyers in this House could probably give us a better idea of how many times search warrants are secured under false pretenses. So that is one part of this Act that I would like for the hon. gentleman to comment on, when the hon. gentleman closes the debate. I think it is too easy to get a search warrant in this Province. I think the peace officer or whoever goes for the search warrant should be asked to poney up, put up, put down the evidence, show us.

AN HON. MEMBER: (Inaudible).

MR. NEARY: I beg your pardon?

AN HON. MEMBER: (Inaudible).

MR. NEARY: Show us if a crime is being committed.

Sometimes I wonder if the magistrates are not in the hands of the peace officers. in the pocket of the peace officers.

AN HON. MEMBER: Would you say that outside of the House?

MR. NEARY: Yes, I would say it outside of the House.

I think it is scandalous, the wholesale issuing of search warrants in this Province. They are too easy to get.

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Tape 1790

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MR. MARSHALL: On a point of order.

MR. SPEAKER: (SIMMS): A point of order, the hon. President of the Council.

MR. MARSHALL: I mean I could give Your Honour the citation.
I think the hon. member

MR. MARSHALL:

is aware of it. I mean it is not in order in this House to make reflections upon the judges or the judicial system of this Province. And I think that the hon. member might wish to rephrase his words perhaps to get his message across. But certainly to say that the magistrates who are judges and members of the judicial system are in the pockets of certain people, I think is not something that really should be allowed on the record and I do not think the hon. member would wish it to be.

MR. NEARY:

Mr. Speaker, that is perfectly true.

I understand that we cannot criticize judges, which I did not do, Mr. Speaker. I did not criticize the judges. Does Your Honour want to rule?

MR. SPEAKER:

I would simply rule that perhaps

you might wish to rephrase it if, in fact, that is the way it is said.

MR. NEARY:

Yes, Sir, I think it is wrong,

Mr. Speaker, I think it is wrong, not legally wrong but morally wrong and we seem to be getting more of it all the time, to have people who are retired from the R.C.M.P. sit on the bench and then have their colleagues come in and ask them for a search warrant. I think that is morally wrong and I do not think it should be allowed to happen. The poor individual has not got a chance, Mr. Speaker, and, as I say, it is too easy to get a search warrant in this Province and I think it is time that it was brought out into the open, brought up into the light of day so that people will not only know what is going on but will be aware of what can happen in this Province. The things that have happened, Mr. Speaker, in the last seven years in this Province in the administration of justice and in securing search warrants in connection with -

AN HON. MEMBER:

Canadian Javelin.

MR. NEARY:

Yes, in connection with Canadian Javelin,

would make your hair stand on end. Bully Boy Crosbie who is bringing down his budget tonight influenced the Consumer Affairs Department up in Ottawa, influenced the Justice Department here, the provincial Justice

MR. NEARY:

Department, and influenced the R.C.M.P. and I have the correspondence down in my office to prove it. It is very easy to carry out a political vendetta in this Province, Mr. Speaker. The Minister of Justice who was supposed to be upholding the law, seeing we had the proper administration of justice in this Province, in the last seven years, spent most of his time protecting the Premier and the administration. And unfortunately I have talked to a good many lawyers who have been employed with the Justice Department, who quit and told me that the things they were forced to do down there were not what they were trained for when they went to law school. They were forced to protect the Premier and the ministers and the government. They said that that is not what they went to law school for. They were forced to go out and subtly influence the R.C.M.P. to do certain things, to get search warrants, to carry out a political vendetta. I wish I had more time to, and the documents here in front of me, to go into this but I hope I have made the point, Mr. Speaker. It is too easy to get a search warrant in this Province and I think the minister owes it to this House now to tell us, when he is closing the debate, that the word will go out henceforth and that when a peace officer comes for a search warrant he will be asked to produce the evidence. Too many search warrants have been issued under false pretences.

Now, Mr. Speaker, I want to come to another section of this act that has to do with magisterial enquiries. My hon. colleague from Grand Bank (Mr. Thoms) who knows more about the law than I do, commended the government for making it compulsory now to have these magisterial enquiries public which is a good thing, a very good thing. But here is another area, Sir, where we have seen abuse down through the years. If somebody sets out to get somebody else, they can use the law to do it through a magisterial enquiry. For instance, Mr. Speaker, let me give the House an example. If an insurance company does not

MR. NEARY: want to pay a claim, all they have to do is they get their special agents, or whatever they call them - I raised this in the House before and the hon. gentleman may remember it - these people who are going around the Province masquerading as RCMP officers who are not RCMP officers, who use the facilities of the RCMP offices in this Province, masquerading as private investigators come over here from the Mainland, from Halifax and so forth, who can go out in a community in any part of this Province and crucify anybody. Nobody could escape them if they wanted to do a hatchet job on you. Even the member for St. John's Centre (Dr. McNicholas), as pure as he is, if these private investigators wanted to get at you - if you had the misfortune to have a little fire down in your office and the insurance company did not want to pay the claim, they would find a way to hold it up and stall it and force a magisterial inquiry and, in the process, ruin the hon. gentleman's reputation in the town and the Province of which he lives. Insurance companies, Mr. Speaker, insurance companies have abused this privilege, and there are claims in this Province at the moment that are outstanding, outstanding, have not been paid. The insurance company says, ah, watch it now, or we will publish this magisterial inquiry, or the magisterial inquiry has been sent to the Justice Department and they have not dealt with it, and they are down there and have not been dealt with, just for the simple reason that the insurance company does not want to pay the claim. I do not know if we can deal with that under this act. Maybe we need an insurance act.

MR. CARTER: (Inaudible).

MR. NEARY: Ah, yes, but I have looked at them all. I looked at every bit of insurance legislation in this Province - there must be, I do not know, it is 15 or 20 pieces, little bits and pieces and not one of them says that our insurance company has to pay a claim in a certain period of time, not one.

MR. ROBERTS: No, but any person can sue the insurance company.

MR. NEARY: Oh, sue, yes -

MR. ROBERTS: It is done all the time.

MR. NEARY: - yes, yes, Mr. Speaker, you take on an insurance company, try it, take them on. Take on the insurance company and you are talking about three, five, ten, fifteen, twenty years. You will be in the wheelchair, you will be in the wheelchair, especially the way the administration of justice turns over in this Province. The wheels of justice grind very slowly in Newfoundland, and they will throw such a battery of lawyers at you, expensive ones, that it will take you five, ten or fifteen years before you ever get the case heard. In a lot of instances, Mr. Speaker, people cannot wait, they cannot wait. The insurance company has the upper hand. They have the money, they have the capital, they have the resources, they have the legal counsel and they can wait it out for years, but the ordinary person cannot. I think it is scandalous what insurance companies have done, misusing and abusing the law of this Province. I do not know if this bill is going to change or improve that situation at all. Perhaps my hon. friend can give me a bit of legal advice on this. Will it change? Will that situation change? By making it public, will that change? No, it will not.

MR. THOMS: That is if it exists.

MR. NEARY: Pardon?

MR. THOMS: If it existed.

MR. NEARY: Well, it does exist. I can tell the hon. gentleman it does exist.

AN HON. MEMBER: (Inaudible).

AN HON. MEMBER: I work for an insurance company, so you cannot ask me.

MR. NEARY: No, that is right, I cannot ask my hon. friend. I think it is terrible, Sir, terrible! I could probably find a few cases if I wanted to, but even if I could only find one,

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MR. NEARY:

Mr. Speaker, that would be pretty bad.

Let us see, traffic offences, yes, records. Something else that has been bothering me, Mr. Speaker, for some time and I want to raise this and then I will sit down - I wish I had a couple of days to go on on this - what happens to people's records? We have heard a lot recently about freedom of information

MR. NEARY: laws in this country. Ottawa has now passed a bill granting people access to files and records that they ordinarily did not have access to before. But what happens in the case of data that is collected by the police in the process of carrying out an investigation and never used? The investigation peters out, filters out, nothing ever comes of it, not enough evidence to lay charges. I am thinking now about a former Premier of this Province who was the subject of intensive investigation for several years, a man who was crucified by Crosbie and Hickman when they were in this House over Liechtenstein. Every member of the House will remember Liechtenstein. The member for St. John's East (Mr. Marshall), the President of the Council very well remembers Liechtenstein because the hon. gentleman flung the name across the House so often.

MR. J. CARTER: And properly so.

MR. NEARY: Improperly so. An investigation was carried out by the RCMP which travelled all over the world at tremendous expense to the taxpayers and finally the net result was insufficient evidence, case dropped, give the people back their documents. Now, Mr. Speaker, I would like to know, in instances of this nature where the Newfoundland Constabulary or the Royal Newfoundland Constabulary and the RCMP are investigating cases and they accumulate data and information, what becomes of this information in the event that there is insufficient evidence or the matter filters out, peters out, never comes to court? Is that information held in the office of the law enforcement officers? Is it held down in the Department of Justice? What happens to all these enquiries, reports and information that is gathered by the law enforcement officers? What becomes of it? Is it ever destroyed? Is there ever a time, Mr. Speaker, when legally that information can be destroyed? I would like for the minister to tell us. How much evidence, how many documents, how many cases, how many files are down in the Justice Department on people in this Province that they do not know a thing about and how long will they be kept there? Will it ever be held against them if they ever committed a crime in their lives? Could it be trotted out in ten, fifteen, twenty or

MR. NEARY:

fifty years from now? Could it?

It could not. The hon. gentleman says, no, it could not. Well, it could, Sir. It could. If it involves the Crown and you have a Crown prosecutor, he has access to it. He could very easily trot it out if he wanted to. There are many anomalies, there are so many injustices in the administration of justice in this Province, Sir, I could go on for days if I wanted to. If I had known the bill was coming up I would have brought some documentation with me but these are only three points that need to be commented on. Maybe before the session is over we will get a further opportunity to have another go at the administration of Justice in this Province, Mr. Speaker.

MR. SPEAKER (Simms):

If the hon. President of the Council speaks now he closes the debate.

MR. ROBERTS:

I will not be long, Mr. Speaker.

MR. SPEAKER:

The hon. member for the Strait of Belle Isle.

MR. ROBERTS:

Mr. Speaker, I just wanted to raise two or three points which I think are of some relevance and I would hope are of some importance with respect to this bill. I think my hon. friend from Grand Bank (Mr. Thoms) has said where we stand and my hon. friend from LaPoile (Mr. Neary) has raised some concerns. Since I have occasionally appeared on behalf of insurance companies in Her Majesty's courts, I can only say they can be sued and

MR. ROBERTS:

I do not want to go beyond that. I mean there are people who have rights under law and they certainly can sue insurance companies. All I say to my hon. friend is I had an experience recently in court when I appeared in depending an insurance company against a claim. In effect, the only defence in these things is a matter of arson. There was no question of the contract or anything. At the end of a somewhat rigorous cross-examination of the person who would benefit from the arson I was told, "Little did I think when I was in St. John's voting for you to be a Liberal leader, Sir, that you would ever do this to me". So I could counsel him that that could happen.

I want to turn, Mr. Speaker, to two or three fairly detailed provisions which I think are still within the rubric of the principle of the bill and I will mention them quite briefly. But I do want to draw to the attention of the minister, the President of the Council, the minister who is piloting this, I guess as the acting Minister of Justice, I am disappointed to see that the crime of conspiracy or the offense of conspiracy - it is the theory that we in this House, cannot create a crime but we can and do create offences. Section 9, subsections 3 and 4 preserve the offence of conspiracy and I simply say to the minister that I think this is wrong in principle and wrong in - when I say wrong in law, if we enact the law here it certainly will preserve that offense but I think in this day and age that is something that ought to be dropped. If a person commits a crime, well and good but, you know, just the offense of conspiracy, I would suggest legal theory has come well beyond the day when that ought to be considered a crime. This is a matter that cannot be proven or cannot be established, it is a matter of how one views the law. But I think the crime of conspiracy ought to cease to be a crime and I think that the offense of conspiracy as established by these subsections ought not to be an offense. I think one must act before there is some offense or some crime. And I say that - I will be very brief - but really for the philosophical

MR. ROBERTS:

reason that the offense of conspiracy I think, if one searches the books, has been used mainly for political purposes, it is one of the few political crimes left. We saw in the United States during the 1960's and early 1970's a great plethora of cases of people charged with conspiracy. None of them was ever convicted, as I recall it, I do not think they ever found a jury to convict. But the fact remains that people are put to immense cost and immense effort and I am not sure that we ought to have an offense of conspiracy. If one does enact or if one omits to do something that one ought to do, then I think that requires a sanction of the law. Short of that, I am not sure that there should be an offense.

I would draw the minister to section - there is no point in my speaking to the minister if somebody else is - I would draw the minister's attention to section 10 which provides for the service, it is somewhat Draconian. It says that a service shall be deemed to be made. I would think that we ought to go a little further and add a clause that if somebody can come before a court and says, "I was not served despite the fact that it was sent by registered mail, then that in itself, you know, will allow him to enter his defense. And this may seem technical, Mr. Speaker, and in a sense it is, but it is important because what we are talking of with this word of service is how one is notified that the judicial system is being invoked against one. And, you know, I really think these sections are a little Draconian. I think that there ought to be some softening out in them.

Finally, there is a most unusual provision in part three and heavens alone knows where it came from but it ought not to be here. And it is found in section 22. This provides, Mr. Speaker, the circumstances in which, what for want of a better name, a coroner's enquiry shall be called. Since we do not have a coroner in this Province, the judge, a provincial court judge. We used to be called a magistrate but is now being called a judge, the same guy. And this section sets forth the circumstances in

MR. ROBERTS:

which an enquiry shall be held although there is quite properly a power reserved to the Attorney General which I guess would be delegated to the Director of Public Prosecutions in the day to day working of the matter. But the Attorney General can waive the requirement that an enquiry shall be held. Now, I would draw the minister's attention to subsection 1 (b) and that reads: "Where a person dies and there is reasonable cause to suspect that that person died during pregnancy or following pregnancy in circumstances that might be reasonably attributed thereto." Now, in the name of all that is sacred, in 1979, why is that

Mr. Roberts: provision in our law? There is adequate provision elsewhere in the section if a person dies suddenly or unexpectedly, that is Subsection (c), there is a provision for a person who dies without a treatment by a medical practitioner. There is a provision if a person apparently commits suicide. There is a provision as a result of any violence, misadventure, negligence, misconduct, malpractice or by unfair means, and those are fairly wide words. What in heaven's name, if a woman dies during pregnancy or following pregnancy, and the words 'in circumstances that might be reasonably attributed thereto' relate back, I would suggest, to the words 'following pregnancy', what sort of sexist nonsense is this? I mean there may be a good reason for it, but I fail to understand it.

And now that we are cleaning up the Summary Jurisdiction Act, and enacting a new one, modernizing it somewhat and straightening out some of the problems in it, you know, I just do not see if a woman dies during pregnancy why in itself that ought to require either an inquiry to be held or the Attorney General having to exercise his power to waive the requirement of an inquiry to be held? If a lady who is pregnant dies and there is some suspicion that the death is not caused by natural causes, then there is, I would suggest, adequate power elsewhere in that Section 22 to, you know, permit the holding of an inquiry or, in fact, to require the holding of an inquiry.

Having, you know, made those points which are fairly specific, but I think they fail within the principle of the bill, I want to say, as my friend for Grand Bank has, that I think this bill is a step forward. I suppose those of us who have from time to time occasion to be involved in a professional sense with the courts are more aware of it, and unless a person has some contact with the courts he or she normally does not even realize they exist and does not think that what goes on or what does not go on in the courts of this Province is terribly important.

The courts are of crucial importance. Everyone of us sooner or later, not just those of us who wear funny clothes

Mr. Roberts: and are entitled to charge for representing people in court, members of the best, not necessarily the best, but certainly the tightest trade union in the Province, the Law Society of Newfoundland, but everybody sooner or later will come into contact with the courts even if it be just a traffic ticket or if it be in connection with having allegedly breached one of the myriad of offences that exist in every Provincial Statute, I suppose there are literally thousands of offences in this Province, most of them have never seen a person charged. And, of course, the serious matters such as some of these dealt with in this Act, the Provincial Court enquiries, these are serious matters indeed and are dealt with by our courts.

And, I think, this is not the place to go into it in detail, but I simply want to say, as I believe my friend for Grand Bank (Mr. Thoms) did, I did not hear all of his remarks, but I know what he intended to say and I am sure he said it, the courts in this Province badly need even more attention than they have had in the last few years. We have made progress in the last ten, twelve, fifteen years in the courts, there is significant progress still to be made. And, you know, I could go on at some length. I do not think I need to, so I will not. But I do want to say that for all of the progress we have made there are still many, many inequities, there are still many situations that ought not to exist in what hopefully is an enlightened age.

I think this bill will represent some progress, I think that it will set forth the - you know, the Summary Jurisdiction Act now is an immensely long Statute. I do not know - this Act has thirty - five sections. It is a fairly understandable piece of legislation. I do not know whether the minister dealt with this in his opening remarks, if he did not perhaps I might be permitted to. The Summary Jurisdiction Act now is - what? - fifty years old, sixty years old? It is one of the original Statutes, is an immensely long and an immensely complicated piece of legislation. It

Mr. Roberts: is going to be replaced by two; the Small Claims court with which the House dealt with a few minutes ago, and it has been adopted in principle, and now a fairly straightfoward piece of legislation that sets forth the powers of the court and provides for the procedures.

So I think that that is a step forward and I think accordingly it is something we should support. The points which I make I think are of some importance and I would hope that the minister either at second reading when he now closes the debate, or alternately during the Committee stage, will deal with them because, I think, they do deserve examination, explanation and, hopefully, action as a result.

Thank you.

MR. SPEAKER: (Butt) If the minister speaks now, he closes debate. The hon. the President of the Council.

MR. W. MARSHALL: Mr. Speaker, perhaps I could go in reverse order and deal with the last remarks first. First of all, I would agree with the hon. member when he indicates that there is a lot to be done yet with respect to the courts. I also agree that a tremendous amount has been done in the past few years and can assure this House that within the bounds of the financial constraints, which are the bounds within which we always wrestle, within the months and the years to come we shall be striving to see what we can do to rectify the problems that do exist in our judicial insofar as they pertain to the actual administration of justice. The hon. member brought up a point 22 (1) (B) as to why that is there, where a person dies during pregnancy or following pregnancy and persons that might - in circumstances that might be reasonably attributed thereto - why it is there, I would say first of all that, I think we are probably going a little bit too far in our womens rights, if you like, to refer to a person first of all during pregnancy and following etc., but leaving that aside, I have to say to this House and the hon. member quite frankly that I do not know at the present time why that is there. It would appear that it could possibly be redundant and the word suddenly or unexpectedly, particularly in this day and age, could be in but we will take it under advisement and at Committee stage I will have the reason and if the reason is valid we can assess it here in this House and if there is no reason for it being in, then we can amend the act accordingly being reasonable people.

MR. ROBERTS: (Inaudible) there is no valid reason.

MR. W. MARSHALL: We shall find out and I know the trusty law clerks who are here, who are also our good draftsmen, will take this under advisement and when it comes up hopefully we can -

MR. E. ROBERTS: I would like you to explain how the hon. gentleman (inaudible) how a person other than a female person can become pregnant? That is beyond the power of this Legislative, I think.

MR. W. MARSHALL: Well, the legislature is supreme I suppose but that is going I think a little bit too far. Now the other situation, the other observation, the hon. member made with respect to the provision of service of a summons by mailing the summons to the person to whom it is directed by registered mail. You know, really if a person can come in, if a defendant or if the accused can come in and show that he has not been served, you know, it is competent for a person to come before court whether it is registered mail or personal service. It is cardinal, as the hon. member will realize, that service must be effected and that is an adequate defense to the proceeding of any prosecution or charge. With respect to the observation as to why conspiracy is in, I would point out that conspiracy still exists, it is still a crime in the Criminal Code itself, it is beyond, certainly, the ken and the province of this legislature to deal with because these are matters of criminal law, so having to enforce the criminal law we have to provide for it in the act. Some sections of the Criminal Code are incorporated by reference and that one is put in specifically.

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

MR. E. ROBERTS: I am not sure I follow. Is the minister saying that this is the act that gives our provincial courts the jurisdiction to deal with the Criminal Code? The jurisdiction of the Criminal Code is conferred upon our courts by virtue of section 2 of the Criminal Code, as I recall it.

MR. MARSHALL: No. I realize that, Mr. Speaker, but this sets forth the procedures, this is why we have to have reference to it.

Now, I shall not deal to any great

MR. MARSHALL:

extent with what the hon. the member for LaPoile says except with respect to a few matters. I do not want to go into specifically the grievances which the hon. member brings up from time to time with respect to the administration of justice, particularly with respect to search warrants.

The fact of the matter is that where a search warrant has been levied against an individual, and issued against and executed against an individual, it does not mean that that individual has committed a crime,

nor that he is charged with a crime, it means that he or she, who may be a perfectly innocent individual, may, even unbeknownst to himself or herself, have in his possession

MR. MARSHALL: papers which are or information which is relevant to a charge which has been laid. I can only say to the hon. member - and I know I will not convince him - that the only time that search warrants are issued in this Province, as in any province in Canada I am quite sure but I can certainly speak for this Province, is where there is reasonable and probable grounds to believe that a crime has been committed. Before the search warrant is issued, competent and experienced judges assess the information that is put before them and they act accordingly. But I know that the hon. member feels very strongly about this, that I can talk until the cows come home and I will never convince him of that but I can certainly assure this House that nowhere but nowhere in the jurisdiction of this Province does anyone issue a search warrant, or any member of the judiciary issue a search warrant, before going in very carefully to the grounds and being satisfied with respect to it. The hon. gentleman, in relation to his remarks, talks about insurance agents or insurance investigators masquerading as RCMP officers. I can only say to the hon. gentleman that it is a crime for one to impersonate a police officer. In the event that the hon. gentleman has any specific information as to any individuals who are so conducting themselves, he should advise us and it will be investigated. If there is any substance to it, appropriate charges will be laid. I think, really, that deals with as much of the comments of the hon. member for Lapoile (Mr. Neary) that I feel are relevant to the bill at the present time.

Finally, I would like to refer to the remarks made by the hon. member for Grand Bank and thank him for drawing to attention something that I did not mention myself when introducing the bill, that this bill does provide that inquiries will be required to be held in public and, as he indicated, this is - to use a cliché phrase - a great step forward. I should also point out though that the magistrate may order a prohibition against the publication of the evidence. Of course, it is just in case at some time some people who feel a grievance, imaginary or otherwise, against the judiciary, as the hon. member for Lapoile seems to feel from time to time, there is no

MR. MARSHALL: sinister motivation behind putting this provision in there. Obviously, there are times when public inquiries are held or magisterial inquiries are held and while the proceedings can be public, it can be very detrimental to individuals or families of individuals to allow the details to be published. So that, Mr. Speaker, I hope I have answered the questions that have been brought up by the various members and have great pleasure in moving second reading.

On motion, a bill, "An Act Respecting Provincial Offences And Provincial Court Inquiries", read a second time, ordered referred to a Committee of the Whole House on tomorrow (Bill No. 16).

On motion, second reading of a bill, "An Act To Repeal The Government-Atlantic Gypsum, Limited-Lundrigans Limited (Agreement) Act, 1969", (Bill No. 55).

MR. SPEAKER: (Simms) The hon. the Minister of Industrial Development.

MR. BARRY: Yes, Mr. Speaker, if you would just give me a moment, I was caught unawares on the call of the bill. This bill is brief and to the point, Mr. Speaker. It repeals the Government-Atlantic Gypsum, Limited-Lundrigans Limited (Agreement) Act, 1969, and it has arisen as a result of an agreement which was concluded between government and Lundrigans Limited for the sale of Atlantic Gypsum, Limited to Lundrigans, Limited on the terms and conditions as follows: payment, \$250,000 cash on the sale of the plant, \$250,000 on February 28, 1980, and \$100,000 on February 28, 1981; Atlantic Gypsum shall be subject to the retail sales tax as of the date of the sale; government shall not guarantee financing in respect of any proposed capital expenditures; and the guarantees presently in place shall be rescinded. So, Mr. Speaker, the agreement has been entered into and this, obviously, requires legislative sanction, and I would ask the unanimous support of the House for this bold step forward.

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

MR. ROBERTS:

Mr. Speaker, the minister's brevity, if not his eloquence, has convinced us, we will support the bill. I would simply ask if the minister, in the interests of completeness of the record, could table a copy of the agreement. I assume it is a public document, and there is no reason it should not be as I can see. As I understand it, the gypsum plant, Atlantic Gypsum, Limited, has been sold to the Lundrigan interests in an agreement. It is obviously satisfactory to Lundrigans, it is obviously satisfactory to the government, and all this is is to - in effect, we are implementing it by repealing an agreement that had been previously enacted by legislation back in 1969. So, we are prepared to go along with it. The Treasury gets the money, the jobs are there. I think it should be noted simply in passing that this is one of the

MR. ROBERTS:

industries, I believe, started back in the 1950's. It is one of the ones that has survived and I assure has prospered to the point where a private company will pay, I think it is \$600,000 for it or has paid some and will pay the rest. Obviously, the private group has made a success of it to the point where they are now prepared to pay hard cash, take the Province off the line on the guarantees. So the jobs are there and everybody should be happy and so we should support it and so we do. Thank you.

On motion, a bill, "An Act To Repeal The Government-Atlantic Gypsum, Limited-Lundrigans Limited (Agreement) Act, 1969", read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 55).

On motion second reading of a bill, "An Act To Amend The Provincial Court Act, 1974." (Bill No. 22).

MR. SPEAKER (MR. SIMMS): The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, just a few words with respect to this bill. It is a bill that first of all would change the term of magistrate to provincial court judge. This reflects the designation of the former magistrates at the present time. It is in accordance with the recommendation of the Steele Royal Commission on the judiciary, on the provincial courts. And we are now, government is now prepared to go to this end since it also reflects the government's success in having a much larger complement of the magistracy, provincial court judges as having been formerly legally trained through law school.

Another minor but necessary aspect of this bill is that Justices of the Peace, clerks of the court, will now be ex officio Justices of the Peace. This means that they will be Justices of the Peace as long as they are in the employ of the court and when they are in the employ their office ceases.

MR. SPEAKER: The hon. member for Grand Bank.

MR. THOMS:

Mr. Speaker, I would like to take this occasion to have something to say about this particular amendment to the Provincial Court Act. I cannot recall now what the reasoning in the Steele Report was for changing the name from magistrate to a provincial judge or a provincial court judge. It may have been simply to coincide with other provinces which have in the past few years changed the name. For my own personal preference I thought we should have retained calling them magistrates. It differentiated the magistrate from judge of the District Court or the Supreme Court and I think among the public there may be a little confusion revolving around where we have all three members of all four courts now being called judges.

Mr. Speaker, I plan to take some considerable time to speak in connection with this amendment. There are certain things about the administration of justice in this Province which I want to take this opportunity to say-I will probably have another opportunity at a later date - but this seems to be a good place to say them. So if it is in order I would move the adjournment of the debate at this time seeing that we are so close to six o'clock.

MR. SPEAKER:

It is agreed to call it six o'clock.

The hon. President of the Council.

MR. MARSHALL:

Mr. Speaker, I move that the House at its rising do adjourn until tomorrow, Wednesday at 3:00 P.M. and that this House do now adjourn.

On motion that the House at its rising stands adjourned until tomorrow, Wednesday at three of the clock.

VOL. 1

NO. 48

I N D E X

ANSWERS TO QUESTIONS
TABLED
TUESDAY, DECEMBER 11, 1979

Re: Question 58

Tabled by Hon.
Minister of
& Energy, 11 Feb
'79

annual
report
1978-1979



Newfoundland and Labrador
Development Corporation Limited

Newfoundland and Labrador Development Corporation Limited

P.O. Box 9548, 44 Torbay Road, St. John's, Newfoundland, Canada A1A 2Y4

FRANK J. NOLAN, President

June 29, 1979.

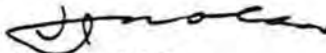
The Honourable Elmer MacKay,
Minister of Regional Economic Expansion,
Parliament Buildings,
Ottawa,
Ontario.

The Honourable Leo Barry,
Minister of Industrial Development,
Philip Place,
St. John's,
Newfoundland.

Sirs:

In accordance with the July 17, 1972, agreement between the Government of Canada and the Government of the Province of Newfoundland, I am pleased to submit, on behalf of the Board of Directors of the Newfoundland and Labrador Development Corporation Limited, the annual report and financial statements of the Corporation for the fiscal year ended March 31, 1979.

Yours respectfully,



FRANK J. NOLAN,
President and Chairman of the Board.



Phone
(709) 753-3560
Telex
016-4675

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ment of the Province of Newfoundland and the Government of Canada, that small and medium-sized businesses play a major role in realizing the expanded employment and effective use of resources, capital and skills in signed a five-year agreement in 1972 establishing the Newfoundland and Elopment Corporation Limited. The Corporation's mandate is to assist in ment, modernization and expansion of small and medium-sized / the provision of:

g
ng
advisory services
es and assistance

the Governments agreed to extend the activities of the Corporation for a ar period.



Frank J. Nolan

REPORT OF THE PRESIDENT

The fiscal year 1978-1979 was highlighted by a marked increase in demand for the Corporation's services.

Loan and equity investment approvals totalled \$8,234,300, representing a 300 percent increase over the previous year and the highest in the Corporation's six year history. The business sector benefiting most from this activity was the fishery followed closely by secondary manufacturing. It is worthy of note that a number of loans were approved for the manufacture of products for use in fish harvesting and processing, replacing items previously imported to the Province. Funding approvals to businesses involved in agriculture and forest products also increased significantly.

A considerable increase was experienced in the utilization of our InfoReach facilities which offer a wide range of research, informational and advisory services to businesses and entrepreneurs looking to expand, improve or establish businesses in Newfoundland and Labrador.

This growth has resulted from a resurgence of interest in small business potential and reflects the increasing effectiveness of the Corporation in assisting private enterprise to capitalize on the opportunities presented by the Province's resources, thereby providing the needed economic stimulus and resulting employment.

During the past year, Corporation personnel have been very active in working with other governmental agencies, departments and community associations engaged in the industrial development process. A highlight was the establishment of Vegetable Marketing Associates Limited, a farmer's marketing cooperative that had been conceived through the efforts of the Community Development Department of Memorial University in cooperation with the Newfoundland and Labrador Development Corporation. Corporation personnel served as members of the several boards and committees including the Newfoundland Institute for Management

cont'd

ement and Training, the Atlantic Regional Management Training Center, the
g Committee of the Tourism Incentive Program, the Fogo Island Co-operative
y Committee, the Rural Development Incentives Board and the Provincial
y Board to the Local Employment Assistance Program.

file of the Corporation was raised significantly during the year as a number of
peeches were presented and several seminar participations were undertaken
e purpose of publicising the Corporation's services and encouraging local
ment.

f of the Corporation reached its initial complement of 24 in 1974 and remains at
el in 1979 despite an appreciable increase in the size of our funded client
, more in-depth analysis of term loan and equity applications and increased
for advisory, research and information services. This restraint in the growth of
f is attributable to the aptitude of Corporation personnel and a gradual
ning of programs, systems and procedures as the Development Corporation
l.

o express my appreciation to the members of the Corporation's Board of
s for their guidance and cooperation. In particular I wish to acknowledge the
ce given during the past six years by Mr. John Grubb and Mr. Alexander Roche,
whom resigned as Directors during the past year.

e positive outlook for the potential of the resources and opportunities of
ndland and Labrador, I look forward to another productive year ahead.

FRANK J. NOLAN
President

Overview 1978-1979

Loan and Equity Financing

The end of the fiscal year 1978-1979 brings with it the completion of six years of business for the Corporation during which a total amount of \$24,952,345 in term loans and equity investments was approved to business enterprises in Newfoundland and Labrador.

Total term loan equity funds approved during the year amounted to \$8,234,300. Of this amount, \$250,000 was in the form of equity. While this is an increase of \$165,000 in equity approvals over the previous year, the overall demand for equity financing is lower than prior years and has not increased proportionately with loan demand.

As in past years, the business sector receiving the most support was the fishing industry. During the year under review, this sector received financing approvals of \$3,618,500 towards funding of new plant construction and expansions. The manufacturing sector also received significant assistance during the year with approvals for financing of \$3,116,000 versus \$145,000 in 1977-1978. This amount represents the largest overall increase in lending activity in any sector from the previous year.

During the fiscal year 1978-1979, agriculture-related approvals amounted to \$554,000, forestry-related projects received \$536,500, while tourism and service industry projects received funding approvals amounting to \$285,000 and \$124,300, respectively.

The Corporation experienced a drop in the number of applications for tourism project financing and this is reflected in a 20% decrease in tourism-related term loan approvals from 1977-1978 figures. This decrease in activity is directly attributable to the fact that the Canada-Newfoundland Tourism Financial Incentive Program did not become operative during the fiscal year under review.

The following table provides details of all loans and equity funding approved during the 1978-1979 fiscal year:

Name of Firm	Type and Location of Project	Amount of Loan	Amount of Equity
Anchor Inn Motel (1978) Ltd.	Motel Twillingate	\$190,000	—
Arctic Fishery Products Ltd.	Fish Plant Charleston, Bonavista	500,000	—
Atlantic Analytical Services Ltd.	Rock Cutting and Analysis Springdale	80,000	—
Atlantic Bridge Co. Ltd.	Fishing Gear Mfg. St. John's	1,200,000	—
Avalon Farms Ltd.	Poultry & Swine Farm Holyrood	150,000	—
Baie Vista Inn Ltd.	Hotel Baie Verte	95,000	—
Bay Bulls Sea Products Ltd.	Fish Plant Bay Bulls	170,500	—
Blundon Brothers Co. Ltd.	Concrete Block Plant Gander	385,000	\$15,000

Water Books Ltd.	Book Publishing St. John's	55,000	—
Wil Striping Ltd.	Line Painting Windsor	2,800	—
Island Shipbuilding Producers Co- rative Society Ltd.	Fish Plant Fogo	711,000	—
Aviation Ltd.	Aircraft Maintenance Gander	90,000	—
Goosney	Timber Harvesting Parson's Pond	9,000	—
Wood Forest Products Ltd.	Sawmill Glenwood	84,000	11,000
Bay Timber Ltd.	Sawmill Goose Bay	425,000	—
Industries Ltd.	Timber Harvesting Hawkes Bay	15,000	—
Seafoods Ltd.	Fish Plant Herring Neck	278,000	—
Enterprises Ltd.	Fish Plant Bareneed	595,000	—
Journal Ltd.	Printing and Publishing Labrador	18,000	—
Legge	Poultry Farm Harbour Main	100,000	—
Lidstone	Service Station Roddickton	16,500	—
Marine Development Co. Ltd.	Fiberglass Boat Mfg. Argentia	69,000	—
Paper Converting Ltd.	Paper Products Mfg. St. John's	250,000	42,000
ern Fisheries Ltd.	Fish Plant L'Anse au Loup, Labrador	144,000	40,000
n Harvesters Ltd.	Fish Meal Plant Harbour Grace	870,000	—
Enterprises Ltd.	Fish Plant Southern Harbour	169,000	16,000
ide Fisheries Ltd.	Fish Plant Coley's Point	100,000	—
nan and Michael inicks	Timber Harvesting Hawke's Bay	7,500	—
's Seafoods Ltd.	Fish Plant Norman's Cove	25,000	—
Nova Shoes Ltd.	Footware Mfg. Harbour Grace	290,000	—
ran Ltd.	Rope Mfg. St. John's	110,000	10,000
k Bodies Ltd.	Truck Body Mfg. St. John's	337,000	100,000

Walken Enterprises Ltd.	Floor Truss Mfg. St. John's	155,000	—
Western Farm Feeds Ltd.	Feed Mill Stephenville	288,000	16,000

The term loan and equity funding approved by the Newfoundland and Labrador Development Corporation during the fiscal year 1978-1979 is estimated to create 583 full-time and 226 part-time jobs in thirty-four new or expanded businesses in the Province. The total estimated full and part-time employment created as a result of total Corporation term loan and equity financing is 1,842 and 566, respectively.

During the year, the Governments of Canada and Newfoundland equally cost shared bad debt losses totalling \$1,316,153 which represents a loss ratio of 8.7 percent of loans and equity investments outstanding. These losses emanated primarily from projects approved during the Corporation's first year of operation. The quality of proposals received by the Corporation during the more recent years and the calibre of analysis have improved significantly. These factors should result in a lower loss ratio in the future.

Information and Advisory Services

The marked increase in term loan and equity financing applications and approvals was equalled by requests for services under the various aspects of the Corporation's InfoReach Program. This activity was highlighted by an increase to 535 business people utilizing our library facilities located in St. John's. This not only indicated an increasing awareness of the information services provided by the Corporation, but repeat requests also confirmed the satisfaction and action-oriented results obtained by library service users. Of particular significance was the response to the "Business Books-By-Mail" service whereby books are loaned to business people all over the Province. Forty-three percent of all library book borrowings were made by mail during the fiscal year 1978-1979.

Considerable research was carried out in-house and in cooperation with a number of InfoReach and funded clients of the Corporation in the area of opportunity identification during the fiscal year 1978-1979. During the year, 137 potential areas of entrepreneurial endeavour relating to the Province's natural resources were singled out and were the subject of research and investigation aimed at quantifying their applicability to this Province through existing or potential new businesses.

Examples of the types of subjects falling under the category of opportunity identification included further processing of pork products; furniture manufacturing, chick hatchery, small local bakeries, under-utilized species of fish, farming of various types and much more.

Following are a few examples of the many specific detailed research and information requests dealt with by Corporation personnel during the fiscal year 1978-1979:

PRODUCTION OF WIND GENERATORS	GLASS RECYCLING
MINK FARMING	WAX CANDLE MANUFACTURING
PALLET MANUFACTURING	TROUT FARMING
RABBIT FARMING	EARTHWORM CULTURE
SMALL-SCALE CANNERY	HYDROPONICS
GREENHOUSE GROWING OF FOOD CROPS	RECYCLING OF NEWSPRINT
POTATO CHIP MANUFACTURING	CAR BATTERY MANUFACTURING
BRICK MANUFACTURING	ECONOMIC DATA ON VARIOUS REGIONS OF THE PROVINCE
WHEAT HARVESTING TECHNOLOGY	

In addition to detailed research and book lending services Corporation staff responded to a multitude of requests for brief answers to technical, marketing, financial and management oriented questions.

The Management Advisory Services component of the InfoReach Program was used extensively through the year with special emphasis being placed on the functional aspects of business, including market research on a number of client products and potential products, production flow assessment, cost analysis and control and advice on sources of supply of selected pieces of equipment for client operations. The Corporation's accounting consultancy service played an important role in assisting new and existing businesses to establish updated bookkeeping and financial reporting systems and records. The resource sectors, including fishery and forestry-related businesses, received priority treatment under this program. Some examples of the types of assistance provided during the year under the Management Advisory Services Program are as follows:

TRAINING OF BOOKKEEPER FOR SAWMILL AND FISH PLANT OPERATORS

ASSISTANCE IN RECRUITMENT AND TRAINING OF PERMANENT BOOKKEEPER FOR FOOD PROCESSOR

PAYROLL CLERK TRAINING FOR CONSUMER PRODUCT MANUFACTURER

ADVISORY SERVICES TO MOTEL OWNER-OPERATOR ON COST CONTROL SYSTEM DESIGN, RECORD KEEPING AND MAINTENANCE OF SAME

CONDUCT OF INDIVIDUAL IN-PLANT AND CORRESPONDENCE SPECIALIZED BOOKKEEPING COURSES FOR SEVERAL BUSINESSES

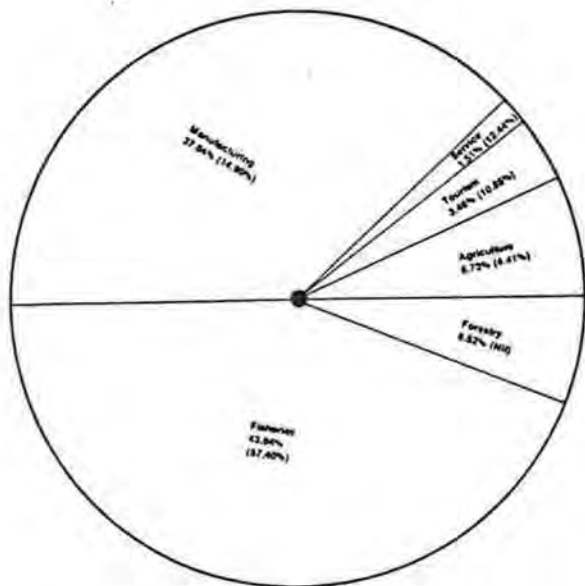
During the fiscal year 1978-1979, the Corporation launched an Entrepreneur Identification Program to complement the Opportunity Identification Program. This program is designed to facilitate the matching up of a potential business opportunity and an appropriate individual or group of people who will invest their money and entrepreneurial skills in a new or expanded company to take advantage of an opportunity. The people whose names appear on the Corporation's confidential list of entrepreneurs also receive selected information from our opportunity identification files. Any person may request that his or her name be added to, or deleted from, this list.

Also, during the year Corporation personnel conducted a number of seminars across the Province dealing with the subject of "Developing Business Opportunities" and generally describing the services and policies of the Corporation.

Various publications, including "Development News", market studies, library catalogues, special informational leaflets and brochures were produced and circulated both within and outside the Province. Much of this material placed a description of development opportunities and Corporation services and progress before a wide range of people. It also served to inform of other available programs valuable to business-minded people.

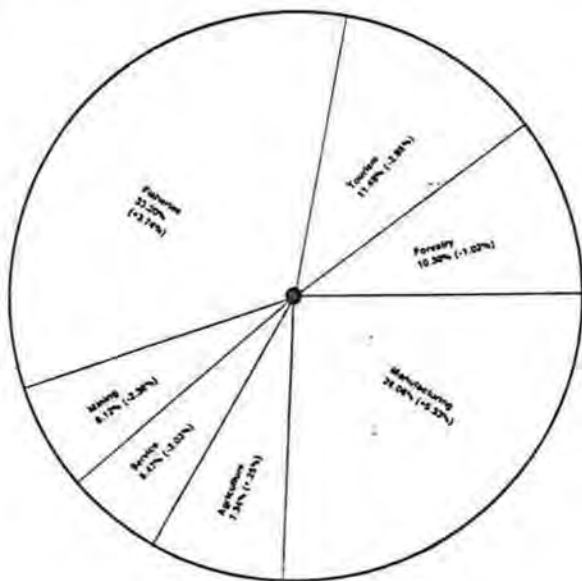
The Newfoundland and Labrador Development Corporation continued to work closely with Federal and Provincial Government departments and with other agencies having related aims and objectives associated with expanded opportunities for employment in the Province.

AND EQUITY APPROVALS BY SECTOR
 FISCAL YEAR 1978 - 1979



Figures in brackets () denote previous year percentages

AND EQUITY APPROVALS BY SECTOR
 FIVE YEARS ENDED MARCH 31, 1979



Figures in brackets () denote percentage change from previous year

CHARTERED ACCOUNTANTS

BAIRD'S COVE, ST. JOHN'S, NEWFOUNDLAND AIC 5K8

G. C. BAIRD, B. COM., F.C.A.
D. R. BAIRD, C.A.
J. T. CAVANAGH, C.A., R.I.A.

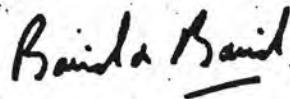
TELEPHONE 709-722-3883

Auditors' Report

To The Shareholders of Newfoundland and Labrador Development Corporation Limited:-

We have examined the balance sheet of Newfoundland and Labrador Development Corporation Limited as at 31st March 1979 and the statements of revenue and expenses and changes in loan and equity investments for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at 31st March 1979 and the results of its operations and the changes in its loan and equity investments for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



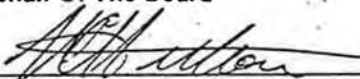
BAIRD & BAIRD
Chartered Accountants

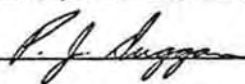
St. John's, Newfoundland
7th June 1979

Newfoundland and Labrador Development Corporation Limited
Balance Sheet
As At 31st March 1979

	1979	1978
Assets		
Equity Investments (note 2)	12,441,538	8,545,162
Short-Term Deposits	3,801,487	2,917,665
Receivable		
Government of Canada	68,823	44,078
Government of Newfoundland	687,321	760,161
Other (note 3)	477,675	517,409
	10,001	27,251
Equity Investment Allowance Recoverable	<u>1,859,515</u>	<u>2,447,453</u>
	<u>\$19,346,360</u>	<u>15,259,179</u>

On Behalf Of The Board

 Director

 Director

Newfoundland and Labrador Development Corporation Limited
Balance Sheet
As At 31st March 1979

	1979	1978
Liabilities		
Accounts Payable	145,860	58,679
Long-Term Liabilities (note 5)	19,200,000	15,200,000
	<u>19,345,860</u>	<u>15,258,679</u>
Shareholders' Equity		
Capital Stock		
Authorized -		
500 common shares of \$1 each		
Issued and fully paid -		
500 common shares	<u>500</u>	<u>500</u>
	<u>\$19,346,360</u>	<u>15,259,179</u>

Newfoundland and Labrador Development Corporation Limited
Statement of Changes In Loan and Equity Investments
For The Year Ended 31st March 1979

	1979	1978
Changes In Loan and Equity Investments		
Loans advanced to clients	5,438,336	2,016,322
: Loan repayments	(1,326,943)	(1,092,930)
Provision for losses	<u>(189,217)</u>	<u>(1,122,909)</u>
	<u>3,922,176</u>	<u>(199,517)</u>
Change of equity investments	81,041	339,000
: Disposal of equity investments	(44,841)	(51,800)
Provision for losses	<u>(62,000)</u>	<u>(305,300)</u>
	<u>(25,800)</u>	<u>(18,100)</u>
Additions (Reductions) In Investments	<u>\$3,896,376</u>	<u>(217,617)</u>
Financed By		
Additional loans from the Government of Canada	4,000,000	1,500,000
Additional loans from the Province of Newfoundland	—	200,000
Reimbursement from Governments for bad debts written-off	1,316,153	1,400,247
Increase in cash and short-term deposits	(883,822)	(866,779)
Increase in loan and equity investments allowance recoverable	(728,215)	(1,981,543)
Change in other assets and liabilities	<u>192,260</u>	<u>(469,542)</u>
	<u>\$3,896,376</u>	<u>(217,617)</u>

Newfoundland and Labrador Development Corporation Limited
Statement of Revenue and Expenses
For The Year Ended 31st March 1979

	1979	1978
Revenue		
Operating grants		
Government of Canada	672,756	1,260,915
Province of Newfoundland	<u>672,756</u>	<u>1,260,915</u>
	<u>1,345,512</u>	<u>2,521,830</u>
Investment Income		
Interest earned		
Loans	1,102,876	1,165,235
Short-term investments	294,204	227,077
Other	<u>1,004</u>	<u>15,994</u>
	1,398,084	1,408,306
Dividends	<u>26,495</u>	<u>2,090</u>
	<u>1,424,579</u>	<u>1,410,396</u>
Total Revenue and Investment Income	<u>2,770,091</u>	<u>3,932,226</u>
Other Expenses		
Bad debts	726,733	2,100,071
Interest	<u>1,141,307</u>	<u>1,024,284</u>
	<u>1,868,040</u>	<u>3,124,355</u>
Net Income Before Operating Expenses	<u>902,051</u>	<u>807,871</u>
Operating Expenses		
Advertising and promotion	28,887	18,015
Asset acquisitions		
Office furniture and equipment	5,718	11,959
Vehicles	5,701	19,107
General and office	26,671	26,079
Interest	—	12,292
Library	9,589	9,254
Office premises and equipment	111,129	92,530
Other	8,890	10,319
Outside services	41,722	21,684
Professional fees	6,500	5,500
Publications	12,662	7,427
Salaries and benefits	536,890	479,330
Telephone and telex	37,537	30,477
Travel	57,654	52,523
Vehicle operation	<u>12,501</u>	<u>11,375</u>
	<u>902,051</u>	<u>807,871</u>
Net Income	<u>\$ —</u>	<u>—</u>

Newfoundland and Labrador Development Corporation Limited
Notes To The Financial Statements
For The Year Ended 31st March 1979

1. Accounting Policies

Long-Term Investments

Investments in loans and shares are recorded at cost. A provision, based on an analysis of specific accounts, is made for estimated doubtful accounts and decline in the net realizable value of equity investments.

Long-Term Investment Allowances Recoverable

The amounts provided for doubtful accounts and decline in net realizable value are shown as a joint recoverable from the Government of Canada and the Province of Newfoundland.

Fixed Assets

Fixed assets are expensed in the year of purchase. During the year, \$5,718 in furniture and equipment and \$5,701 in vehicles were expensed.

Recoverable Expenses

Operating expenses and bad debts written-off are recoverable jointly from the Government of Canada and the Province of Newfoundland.

Long-Term Investments

	1979	1978
Long term investments consist of the following:		
Loans receivable	13,001,379	9,553,715
Allowance for doubtful accounts	<u>1,208,641</u>	<u>1,683,153</u>
	<u>11,792,738</u>	<u>7,870,562</u>
Equity investments		
Common shares	36,800	38,600
Preferred shares	<u>1,033,300</u>	<u>1,400,300</u>
	<u>1,070,100</u>	<u>1,438,900</u>
Allowance for decline in net realizable value	<u>421,300</u>	<u>764,300</u>
	<u>648,800</u>	<u>674,600</u>
	<u>\$12,441,538</u>	<u>8,545,162</u>

Interest Receivable

	1979	1978
Interest receivable	707,248	517,409
Allowance for doubtful accounts	<u>229,573</u>	<u>—</u>
	<u>\$477,675</u>	<u>517,409</u>

Newfoundland and Labrador Development Corporation Limited
Notes To The Financial Statements (cont'd)
For The Year Ended 31st March 1979

4. Commitments

As at 31st March 1979, the Corporation has outstanding commitments in respect of approved undisbursed loans of \$4,189,863 and equity investments of \$177,000.

5. Long-Term Debt

The Government of Canada provides funds for the purpose of making loans, and the Province of Newfoundland for equity investments.

Government of Canada

Interest Rate%	Maturity Date	1979	1978
7.437	22nd October 1978	—	10,000,000
8.375	17th June 1987	2,000,000	2,000,000
8.375	13th April 1987	1,500,000	1,500,000
9.250	21st October 1988	10,000,000	—
9.250	28th December 1988	1,000,000	—
10.125	26th March 1989	1,000,000	—
10.125	29th March 1989	2,000,000	—
		<u>17,500,000</u>	<u>13,500,000</u>
Province of Newfoundland - non interest bearing and of no fixed term		<u>1,700,000</u>	<u>1,700,000</u>
		<u>\$19,200,000</u>	<u>15,200,000</u>

6. Leases

The Corporation has leased premises until 31st October 1982 at an annual rental, subject to escalation clauses, of \$118,000.

SUMMARY STATISTICS OF LOANS FOR THE YEARS ENDED MARCH 31

	1979	1978	1977	1976	1975
Disbursed to borrowers	\$ 5,438,336	2,016,372	2,112,344	3,372,688	4,280,365
Repayments by borrowers	\$ 1,326,943	1,092,930	981,208	461,786	268,260
Increase in amounts outstanding	\$ 4,111,393	923,392	1,131,136	2,910,902	4,012,105
Amounts outstanding at year-end	\$ 13,001,379	9,553,715	10,207,086	9,075,950	6,165,048
Amounts not disbursed at year-end on loans approved	\$ 4,189,863	3,075,000	1,706,128	796,202	2,299,141
Amounts outstanding plus undisbursed at year-end	\$ 17,191,242	12,628,715	11,913,214	9,872,152	8,464,189
Number of clients on the books at year-end	88	78	73	61	54
Average amount outstanding plus undisbursed per client	\$ 195,355	161,907	176,893	161,839	156,744

SUMMARY STATISTICS OF EQUITY FOR THE YEARS ENDED MARCH 31

	1979	1978	1977	1976	1975
Disbursed to borrowers	\$ 81,041	339,000	166,113	297,133	695,054
Repayments by borrowers	\$ 44,841	51,800	6,800	1,800	2,000
Increase in amounts outstanding	\$ 36,200	287,200	159,313	295,333	693,054
Amounts outstanding at year-end	\$ 1,070,100	1,438,900	1,386,719	1,227,406	932,073
Amounts not disbursed at year-end on equity approved	\$ 177,000	44,000	254,000	238,113	275,946
Amounts outstanding plus undisbursed at year-end	\$ 1,247,100	1,482,900	1,640,719	1,465,519	1,208,019
Number of clients on the books at year-end	27	24	27	22	17
Average amount outstanding plus undisbursed per client	\$ 46,189	61,788	60,767	66,615	71,060

NOTE: Previous year's statistics are adjusted annually to reflect previously approved projects which did not proceed.

LOAN AND EQUITY APPROVALS — ESTIMATED EMPLOYMENT

	NO. OF PROJECTS	NO. OF LOANS	AMOUNT OF LOANS	NO. OF EQUITY INV.	AMOUNT OF EQUITY INV.	NO. JOBS FULL TIME	NO. JOBS PART TIME
ed March 31, 1974	32	33	\$ 3,940,800	10	\$ 566,019	545	97
ed March 31, 1975	24	39	4,953,926	13	494,000	347	178
ed March 31, 1976	11	16	1,359,000	8	409,300	89	22
ed March 31, 1977	16	29	2,813,000	8	182,000	184	43
ed March 31, 1978	6	11	1,915,000	2	85,000	94	—
ied March 31, 1979	32	34	7,984,300	8	250,000	583	226
March 31, 1979	<u>121</u>	<u>162</u>	<u>\$22,966,026</u>	<u>49</u>	<u>\$1,986,319</u>	<u>1842</u>	<u>566</u>

Previous year's statistics are adjusted annually to reflect previously approved projects which did not proceed.