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Speaker: Honourable P.J. McNicholas

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The House met at 2:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

Before calling for Statements by Ministers, I would like to welcome to the galleries forty-five Grade IV, V and VI students from Ecclesia Pentecostal Academy, Birchy Bay, with their teachers, Curtis Mouland, Philip Pollard, David Fleming, Joan Hodder, Kay Mews, and two parents, Olive Mouland and Sandra Mews.

SOME HON. MEMBERS:
Hear, hear!

Statements by Ministers

MR. MATTHEWS:
Mr. Speaker.

MR. SPEAKER:
The hon. the Minister of Career Development and Advanced Studies.

SOME HON. MEMBERS:
Hear, hear!

MR. MATTHEWS:
Thank you, Mr. Speaker.

I am pleased to make this statement today on behalf of my colleague, the Minister of Fisheries (Mr. Rideout).

Mr. Speaker, hon. members have been aware that government has been involved in discussions with the principal owner of St. Lawrence Fish Processors Ltd. relative to the operations of the St. Lawrence and Lawn fish plants. These discussions, covering the company-owned plant at St. Lawrence and the leased feeder facility at Lawn, initially involved the possibility of

government providing financial assistance to facilitate the operation of these plants in 1988. However, government rejected this approach after a detailed assessment of the company's projected 1988 financial operating requirements.

Subsequent to government taking this decision, further discussions were initiated with the principal owner of St. Lawrence Fish Processors Ltd., Mrs. Rose Ting, with a view to government securing a lease on the St. Lawrence plant and sub-leasing the plant to some potential operator. As a result of these discussions, I am very pleased to announce that government has now signed a letter of intent with St. Lawrence Fish Processors under which government will be leasing the plant at St. Lawrence for an initial one-year period effective yesterday, June 15, 1988. I am also pleased to announce that government has been successful in attracting a potential new operator for the St. Lawrence and Lawn plants. It is hoped that Coley's Point Fisheries Ltd., which is owned by the same principals involved in the Harbour Grace Fishing Company, will be commencing operations at St. Lawrence and Lawn over the next several days, prior to which the new operator will meet with plant workers, council and fishermen's representatives, and that is happening right this very minute, Mr. Speaker.

Mr. Speaker, government's decision to move as expeditiously as possible on this matter naturally reflects the fact that the fishing season is now underway in the plants' operating area. In the absence of any agreement on the operation of these seasonal plants, the incomes of plant

workers and inshore fishermen would be jeopardized during the current fishing season. Both the hon. Tom Rideout, Minister of Fisheries, and myself, are confident that the new operators will be in a position to undertake effective operations at both St. Lawrence and Lawn.

SOME HON. MEMBERS:

Hear, hear!

MR. W. CARTER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, I welcome the minister's announcement today and I am sure the 400 or 500 plant workers and fishermen who depend on those two plants for their existence will welcome the announcement, as well. I regret the minister has not seen fit to reveal some of the details on the leasing arrangement. It seems to me, if they have already signed a letter of intent, then surely the deal must be pretty well made and the cost to the government of leasing that property should be known to the minister and to his colleagues by this time. I do not know if the minister is prepared to indicate it now, but I am hoping the minister will be prepared, at some point in time, to make known the financial arrangements made with Mrs. Ting for the leasing of that plant.

I am happy the plant is being leased to Harbour Grace Fisheries. My knowledge of that company is that it is a very fine, aggressive, solid, financially sound company. I know two of the principals. I guess Mr. Babb is

still one of the principals, and Mr. Joey George, both young Newfoundlanders who, I think, will make an excellent contribution to the success of that plant. And it is encouraging, Mr. Speaker, to see a government which encourages the Sprungs and others who come in here, now leasing that plant to a group of young Newfoundlanders.

I welcome the announcement, Mr. Speaker, and in behalf of my colleagues, I am sure, I would want to congratulate the minister on effecting this arrangement. It took a bit longer than we had hoped. I think it could have been done probably a little sooner than it has been done, but, nevertheless, the plant is now in good hands and hopefully they will start working there soon and make it work.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker.

Again it is a shame we did not get the numbers. I understand from the Minister of Fisheries that some financial outlay on the part of the Province has been necessary in order to overcome the situation in St. Lawrence, and it would be helpful for that information to be provided at the same time.

However, having said that, Mr. Speaker, I think what we are looking at is the result of the disclosure decisions, or the disposal-of-assets decisions which were made by Fishery Products International last year and the year before, an attempt on their part to dump the sixteen plants

they felt were uneconomic. Obviously, this shows that they were uneconomic; it shows they have some major problems and they have not been addressed. These are the first four plants really that we are dealing with here, since there are two on the Burin Peninsula and two on the Southwest Coast.

I think it would be interesting to watch the other twelve plants which were involved in the investure, to see if they end up coming back to government for handouts. It seems to me that when we talk about free enterprise, from members opposite it is free enterprise when you make a profit, and it is state enterprise when there is a loss, and then we are expected to make up the loss. Unfortunately, it is the way in which this government does business. But let us hope the other twelve plants which were set adrift several years ago are in better shape than these four, and hopefully they will not have to come back. But with the price of fish going down, I very much doubt that.

MR. WINDSOR:
Mr. Speaker.

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

MR. WINDSOR:
Mr. Speaker, I would like to inform this House that the Province has negotiated a loan in Japan as the first capital market borrowing towards meeting the 1988-89 financing requirement.

SOME HON. MEMBERS:
Hear, hear!

MR. WINDSOR:
This loan, in the amount of \$7.6

billion Japanese yen, is for a term of nine years and is being arranged by a banking syndicate headed by The Meiji Mutual Life Insurance Company and the Bank of Tokyo, Ltd.

SOME HON. MEMBERS:
Hear, hear!

MR. WINDSOR:
Thank you.

Coincident with his borrowing, Mr. Speaker, the Province has also negotiated an agreement with the Bank of Tokyo, Ltd. whereby the proceeds of the yen loan will be exchanged for a nine year fixed rate Canadian dollar obligation in the amount of \$75 million. Future interest payments and repayment of principal will be made in Canadian dollars, thereby eliminating yen exchange risk. The bottom line is we have borrowed \$75 million Canadian. The interest cost to the Province on the Canadian dollar obligation is 10.62 percent on a semi-annual basis.

The loan agreement and the currency exchange agreement will be signed on June 22, 1988. This financing is being raised under the authority of The Loan Act, 1987, which remains in force until the 1988 Loan Bill has been enacted by this hon. House. The unused borrowing authority under the 1987 Loan Act is primarily due to the substantial improvement in the financial position of the Province in the 1987-88 year, which resulted in marked reductions in the deficit and therefore the borrowing program. Accordingly, Mr. Speaker, I am most pleased to inform this Hon. House that the amount of \$375 million as contained in the 1988 Loan Bill, which has already been circulated in the House, will be

reduced by amendment to \$300 million when the Loan Bill is debated in Committee of the Whole.

SOME HON. MEMBERS:
Hear, hear!

MR. WINDSOR:
I have asked the Office of the Legislative Council to prepare an appropriate amendment to the draft Bill and Resolution.

MR. WELLS:
Mr. Speaker.

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

MR. WELLS:
Thank you, Mr. Speaker.

Mr. Speaker, based on what the hon. minister says, it appears to be the equivalent of borrowing in Canadian dollars. The two faceted arrangement the minister has made, what I am not quite sure of is the real annual rate. Does the minister know what the real annual rate is? It refers to the rate on a semi-annual basis. Does he mean to say that the 10.62 per cent is the annual rate and it is payable semi-annually?

MR. WINDSOR:
It is payable semi-annually.

MR. WELLS:
Okay.

The only matter I question is whether or not the minister is correct in saying that he is still borrowing under the authority of the Loan and Guarantee Act of last year. We will check that, but I assume the minister is just borrowing in the ordinary course on the basis of the information that he has given us. Thank you,

Mr. Speaker.

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

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

I am actually pleased to see the Minister of Finance has learned his lesson, or at least the lesson of his predecessor. We were in a position in the past where the borrowings in Japanese yen, Swiss francs, and so on, which looked very attractive at 5, 6, or 7 per cent when they were initially borrowed, because of currency fluctuations, in some instances ended up being a disaster, quite frankly.

In this instance, we are pleased to see that the minister has learned his lesson and is now borrowing Japanese yen but immediately converting it into Canadian dollars, so that we are at least paying it back in dollars that are consistent with what we borrowed it with, and so we are not becoming international monetary speculators, which is what we were in the business of before; when we were in that business before, we had some tremendous foreign losses as a result.

So I congratulate the minister on listening to the advice we gave his predecessor last Fall. He has now learned his lesson well and, hopefully, will not get into these foreign adventures in the future.

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:

Mr. Speaker, I have a statement to present on behalf of the hon. Premier, but because of an embargo and a simultaneous statement being made in Western Canada at 2:30, it would not be appropriate for me to do it until that time. I have discussed it with the Leader of the Opposition and the Leader of the NDP, and they have no problem. So at 2:30, or as close to that as possible, I would like to revert to Statements so that I can present the statement. Any time that comes out of Question Period will be added on at the end. That is an understanding, I think.

MR. TULK:
Mr. Speaker.

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

MR. TULK:
On this side, of course, anything for co-operation.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
Before calling for Oral Questions, I would like to welcome to the gallery the Mayor of South Brook, Green Bay, Mrs. Mamie Newman, and her husband, Eugene.

SOME HON. MEMBERS:
Hear, hear!

Oral Questions

MR. WELLS:
Mr. Speaker.

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

MR. WELLS:

Thank you, Mr. Speaker.

I have a question for the Minister of Transportation (Mr. Doyle), Mr. Speaker.

MR. SIMMS:
The great debator.

MR. WELLS:
That is right.

We have been asking the minister and the Premier for some time to give us some information with respect to what is happening with the railway. I ask the minister now if it is true that the government is prepared to surrender the long-term constitutional right of this Province to have the federal government pay the cost of maintaining within Newfoundland the Newfoundland portion of the national transportation system for an agreement that they will maintain the highway for ten years. Is that correct, that he is prepared to surrender this for an agreement that the federal government will maintain the highway for ten years?

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

MR. DOYLE:
Mr. Speaker, as I have indicated to the member on occasions over the last couple of weeks, negotiations on the railway with the federal government and with CN are at the critical stage, I suppose it would fair to say. I do not think it would be appropriate at this point in time for me to talk about that negotiating process or what will be involved in it. At an appropriate time -- again I repeat

what I have said on occasion last week - an announcement will be made with respect to the disposal of the Newfoundland railway if the agreement is reached, and all members will be informed accordingly at that time as to what is involved in it.

MR. WELLS:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the Leader of the Opposition.

MR. WELLS:

Is the minister at least prepared to assure the people of this Province that the government is committed to maintaining the position that the federal government has an obligation to maintain in Newfoundland the Newfoundland portion of the national transportation system?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

Mr. Speaker, again I have indicated to the members opposite that the Newfoundland Government will not be negotiating any agreement with the federal government on the disposal of the Newfoundland railway that does not take into account the best interests of the people and the workers of this Province. Coupled in that, of course, are the concerns that the hon. member raises.

MR. WELLS:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the Leader of the Opposition.

MR. WELLS:

Will the minister assure the House that there will be an opportunity for full public debate before the government commitments the Province to a position on this issue?

MR. DOYLE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

Well, Mr. Speaker, I can tell the hon. member that one thing we are committed to, and that is not to have another Churchill Falls on our hands.

SOME HON. MEMBERS:

Hear, hear!

MR. DOYLE:

He can be assured of that, Mr. Speaker. And he can be assured that this government, as I said a moment ago, has the best interests of the people of this Province at heart and that we will be doing everything to protect their rights, and especially the rights of the workers of this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. W. CARTER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

Mr. Speaker, my question would have been to the Minister of Fisheries (Mr. Rideout), but he is not here. I wonder can the House Leader (Mr. Simms) indicate if we have an Acting Minister in the

House today?

MR. SIMMS:

The member for Grand Bank.

MR. W. CARTER:

Mr. Speaker, my question then is directed to the Acting Minister of Fisheries (Mr. Matthews). In his statement today, Mr. Speaker, he outlined in very scant detail the leasing of the fish plants in Lawn and St. Lawrence to the new operators, but he did not reveal any of the financial arrangements and cost to the Province. I wonder is he now in a position to tell the House what will it cost the Province to get that plant back in its hands to lease to the Harbour Grace Fisheries? What is the total cost?

MR. MATTHEWS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Career Development and Advanced Studies.

MR. MATTHEWS:

Mr. Speaker, as I indicated in the statement, there is a letter of intent and it was signed about 9:15 last night with Mrs. Ting and the Minister of Fisheries, and yes, of course, I was there as well. But we are now, of course, into the process of getting the formal lease arrangement drafted and signed, and further details and specifics will become available over the next number of days, for sure we hope inside of a week.

MR. W. CARTER:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Twillingale.

MR. W. CARTER:

Mr. Speaker, my question to the minister: Is the minister telling the House that he has now entered into a leasing arrangement with a new operator without first having established what it is going to cost the Province to get the plant back in its hands from the former operator, Mrs. Ting? Is that is what he is saying, that there has been no dollar figure put on the cost?

MR. MATTHEWS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Career Development and Advanced Studies.

MR. MATTHEWS:

Yes, Mr. Speaker, there has been a cost put on that. But as I indicated earlier, in my first answer, those specific facts will become very clear, not only to members of the House, but very importantly as well to residents of St. Lawrence and Lawn over the next week or so.

MR. LUSH:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Speaker, by question was intended for the Minister of Fisheries. Is the Minister of Career Development and Advanced Studies now the Acting Minister of Fisheries? I will ask the question anyway to the Acting Minister of Fisheries.

Mr. Speaker, it has to do with the recent storm on the Northeast Coast. It is my understanding that the department has now made

its assessment of the storm damages on the Northeast Coast, which has substantially reduced the fishing capability of fishermen in that area. Could the minister now indicate the extent of the damages and what measures of assistance and relief the Department of Fisheries plans to initiate?

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Mr. Speaker, on behalf of the Minister of Fisheries, that is a matter that the Minister of Fisheries is actively working on. I understand it is not just the Northeast Coast, incidentally, but there are other parts of the Coast that are probably involved here. I am sure the Minister of Fisheries will be able to supply the information the hon. member is asking for in due course.

MR. LUSH:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Bonavista North.

MR. LUSH:

I wonder if the hon. the House Leader is aware of any representations made by fishermen in the districts of Fogo and Bonavista North in particular, pointing out that they disagree with the rather low estimate of damage announced by the minister a day or so ago, and indicating dissatisfaction with the assessment procedure, and further indicating that some communities in the district of Fogo and Bonavista North have not yet been contacted for assessment?

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

No, Mr. Speaker, I am not aware of it as Government House Leader, but I am sure the Minister of Fisheries probably is aware of it, and I will take notice of the question the hon. member asks and pass his representation on to the Minister of Fisheries, whom I am certain will respond, as he always does, in a very fair and favourable manner.

MR. LUSH:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Bonavista North.

MR. LUSH:

I wonder can the hon. the House Leader attempt to find out and to inform this House just what specific forms of assistance the government plans to give to fishermen and in what areas of loss? Is it going to be in all of the areas where the fishermen experienced losses - lobster pots, cod traps, and lump nets - and how quickly will the government act, Mr. Speaker, to ensure that fishermen can fish in this fishing season, to salvage as much of this fishing season as possible? To quote Shakespeare, Mr. Speaker, "If it were done when 'tis done, then 'twere well/ It were done quickly."

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Mr. Speaker, there are programs in place now, as the hon. member is aware I am sure. There are cod

trap programs and lobster pot programs. These kinds of programs - the hon. member does not want the answer, I guess, because he is talking to his colleague now.

SOME HON. MEMBERS:

Oh, oh!

MR. SIMMS:

Is the hon. member ready for the answer?

SOME HON. MEMBERS:

Yes.

MR. SIMMS:

I was saying there are some programs in place now. I think the Minister of Fisheries alluded to them the other day himself in response to a similar question. I will take the hon. member's representation. I cannot provide the answer for him, because obviously an assessment and an analysis, I guess, is presently being undertaken now by the Department of Fisheries. But I do understand maybe the minister, in fact, is on the Northeast Coast himself today. I do not know for that purpose, but I understand he is out in that area. But I am sure the Minister of Fisheries, as he always has done, consistently done, has presented programs in this House that have been very positive for the fishermen of Newfoundland and Labrador. And in this particular case I am certain he will do a proper analysis and will respond, as he always does, in a favourable manner.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I have a question for

the Minister of Labour (Mr. Blanchard). On June 6 in this House this year, the minister, in Answers to Questions concerning the Chairman of the Workers' Compensation Appeal Tribunal, Mr. Buffett, made the following statement, and I quote his exact words, 'More recently and prior to his appointment he' - referring to Mr. Buffett - 'acted on longstanding matters relating to collection of employer assessments.' I would ask the minister what does he mean by 'more recently'? How long a time frame are we talking about? And does he believe that this action might place Mr. Buffett in a conflict of interest position?

MR. SPEAKER:

The hon. the Minister of Labour.

MR. BLANCHARD:

No, Mr. Speaker. As a matter of fact I will be tabling under Answers To Questions the letter in question and the hon. gentleman will be able to see for himself. 'More recently', meant, I think, the topics that he was talking about earlier that he had done: More recently he acted in assisting the Board in collecting assessments, advising them with respect to matters of compensation law, dealing with the Ocean Ranger case, matters of that nature. But, in any event, Mr. Speaker, the hon. gentleman will be able to look at the letter himself. I will be tabling it.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Fogo.

MR. TULK:

Does the minister realize that

Section 21, subsection (4) of The Workers' Compensation Act gives the Appeals Tribunal of which Mr. Buffett is Chairman exclusive jurisdiction to dispose of all appeals from actions or decisions of the Commission respecting an employer's assessments? Does he realize that? And will he now admit that if Mr. Buffett has acted recently in those actions that indeed he is in a conflict of interest position? And I say to him that I do not believe that that matter is addressed in the letter.

MR. SPEAKER:

The hon. the Minister of Labour.

MR. BLANCHARD:

Mr. Speaker, if the hon. gentleman would take the time to look at the legislation, Section 21.1, deals with conflict of interest. "No member of the Appeal Tribunal may participate in the hearing of a matter in which that member has a direct personal interest or in which the Chairman determines there is a conflict of interest." So if a matter he acted on, Mr. Speaker, prior to being appointed Chairman of the Appeal Tribunal comes before them, he simply absents himself from that hearing, and the Vice-Chair or somebody else steps in. That is precisely the same procedure we have operated under with the Labour Relations Board for two and a half or three decades.

MR. TULK:

A supplementary.

MR. SPEAKER:

A final supplementary.

MR. TULK:

Mr. Speaker, I point out to the hon. gentleman in view of the question I am going to ask him,

that there has been no Vice-Chairman since last November, and only recently has the hon. gentleman tried to get one.

I ask the minister, in view of his inability to deal with the questions that have been raised on this issue since April 19 of this year, and in view of his fudging around with this matter, will he not now agree that we have a Select Committee of this House to look into the whole procedure with the Workers' Compensation Appeal Tribunal, so that the people of this Province, who have need of a Workers' Compensation Appeal Tribunal can indeed get the justice which they deserve?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Labour.

MR. BLANCHARD:

Mr. Speaker, the hon. the member for Fogo has some sort of a perverse interest in this kind of thing. He has already told me we did not need a lawyer. He does not like the idea that there is an independent, neutral person as Chairperson of the Tribunal. He has suggested to me that we should have a labour person as Chairman of the Tribunal. Now, Mr. Speaker, it has to be a neutral person. It cannot be an employer representative, I would suggest to you, and it cannot be a union representative, so it must be a neutral person. I think, that is where he is coming from. He tells me I fudged around with answers. The hon. gentleman is frustrated. I have given him direct, good answers and I am going to give him the complete answers today in a letter that I will table.

MR. LONG:
Mr. Speaker.

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

MR. LONG:
I have been recognized but I notice that it is 2:30 and perhaps by agreement we can revert to the statement by the minister.

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

MR. SIMMS:
According to my calculations, Mr. Speaker, there are fourteen minutes gone by so there are still sixteen minutes remaining in Question Period.

I thank hon. members opposite for their sign of co-operation today and hope that it lasts well into the rest of the decade.

Statements by Ministers
[Reverted to by Agreement]

MR. SIMMS:
Mr. Speaker, this particular statement is being made simultaneously by Petro-Canada at this present moment in Calgary, Alberta, and on behalf of the Premier and the Minister of Energy, of course, I am very pleased to announce that yet another delineation well on the Terra Nova Oilfield has proven to be successful.

SOME HON. MEMBERS:
Hear, hear!

MR. SIMMS:
Test results indicate that Terra Nova E-79, the eighth delineation

well drilled overall since the field was discovered in 1984, and third in the current program, should be capable of producing 20,000 barrels of oil per day, on a sustained basis.

SOME HON. MEMBERS:
Hear, hear!

MR. SIMMS:
The first test over the interval 3331 metres to 3340 metres level flowed oil to surface at a rate of 8300 barrels per day. The second test over the interval 3268 metres to 3278 metres flowed oil at a rate of 9000 barrels per day. The third interval, 3223 metres to 3242 metres flowed at 7900 barrels per day.

The total productive capability, coupled with the fact that over 70 metres of oil-bearing reservoir are present, indicates that this well ranks with the best of the Terra Nova wells and that it also compares favourably with the best wells drilled at Hibernia.

SOME HON. MEMBERS:
Hear, hear!

MR. SIMMS:
I am extremely encouraged by these results, and I now believe that the 130 million barrels of recoverable oil, estimated by Petro-Canada as an upside in the Spring of 1987 is, in fact, present at Terra Nova, and also that there is considerable potential for more. The Sedco 710 drilling unit has now been moved to the Terra Nova C-09 well and testing at that location will commence shortly. If, as expected, results from that testing program are favourable, then further upward revisions in reserve estimates will be warranted.

Mr. Speaker, results from Terra Nova E-79 well, together with those from the recent Terra Nova H-99 delineation well, in the opinion of the Premier, have gone a long way towards confirming the commercial potential of the Terra Nova Discovery. We expect that Petro-Canada will be in a position to make a firm decision respecting Terra Nova development during the first quarter of 1989, after preliminary engineering studies respecting various development options are concluded.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. WELLS:

Mr. Speaker, I am sure everybody in this Province is happy to hear good test results from any well that is drilled offshore, and it is good to hear these favourable test results as well.

This statement is, however, a little unusual, and I would be very interested in knowing that this was an identical statement made by Petro-Canada. Is that what the President is suggesting?

MR. SIMMS:

Similar.

MR. WELLS:

Similar. Okay.

Is Petro-Canada saying I am extremely encouraged by these results and I now believe that the 130 million barrels of recoverable oil estimated by Petro-Canada as an upside in the Spring of 1987 is, in fact, present at Terra

Nova, and also there is considerable potential for more? Because if they are, that is a most unusual statement for any oil drilling, or mineral drilling company to make, to create speculative interest like that.

AN HON. MEMBER:

You are playing with words.

MR. WELLS:

I am not playing with words. I am just saying that everybody welcomes good solid statements, but I caution people in this Province not to make the same mistake they made in 1979, when they rushed out on the basis of similar statements and made massive investments.

I just caution people to be careful about these speculative statements. At the same time, we express our encouragement at the results. I caution people to be careful about opinions expressed by the Premier; and that they go a long way toward confirming the commercial potential. Just a word of caution, Mr. Speaker! Thank you.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker.

I think this is an appropriate time to put in a couple of comments on where we are going in terms of oil development. We have been hearing from the Premier and from Mobil and from others that we are possibly going to get a deal together by the end of this month. In looking at the selling price of oil and looking at the cost of development and so on, most people we have talked to, and most commentators, have said that

to develop the oil field now, to sign a deal now is putting ourselves in probably one of the worst positions we will ever be in, the price of oil being so low and the political necessity of both the federal and the provincial governments -

MR. BARRETT:

Tell us about it. Tell us your source.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FENWICK:

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order, please!

MR. FENWICK:

This government, Mr. Speaker, will be judged not on what it has done in the last eight or nine years -

MR. BARRETT:

It is very unprofessional (inaudible).

MR. LONG:

Why do you not bring in your own statement? He is responding to the other minister.

MR. FENWICK:

This government, Mr. Speaker, will be evaluated not on what has happened in the last nine years, they are essentially a prologue to the development of this oil industry. The Premier started in 1979 as Premier, and in the Fall of 1979 we had the first Hibernia discoveries. How the Hibernia deal is signed, how the Terra Nova

deal is signed will be the historic evaluation of this government. If they give away the resources in much the way this House of Assembly gave away the Churchill Falls Development back in the 1960s, then they will never, ever live it down. I give them warning now: Be very, very careful of what deals you sign!

MR. SPEAKER:

Order, please!

There are sixteen minutes left in Question Period.

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

MR. LONG:

Thank you, Mr. Speaker.

I am trying to remember where we were when we broke for the Ministerial Statement. I was about to ask a question of the Minister of Culture, Recreation and Youth (Mr. Butt). I would like to ask the minister today if he could give the House information concerning the labour dispute at the Arts and Culture Centre, which I was surprised to understand yesterday the Minister of Public Works (Dr. Twomey) has given over to the Minister of Culture, Recreation and Youth. Could the minister give us some indication that he is actively working toward a resolution of this dispute?

MR. SPEAKER:

The hon. the Minister of Culture, Recreation and Youth.

MR. BUTT:

Mr. Speaker, that matter is still not resolved, because it is the opinion of a lot of people in government that if in fact we are going to go for a new concession

For the Arts and Culture Centre, then it should be open to all Newfoundlanders and Labradorians to make an appropriate bid.

MR. LONG:

A supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. LONG:

I would like to ask is the minister saying that government has rejected an appeal by the caterer who catered the visit by the Prince to the Arts and Culture Centre, to take the present tender under receivership as an interim measure and to go back to the tendering process at the end of this contract? Has that proposal been rejected?

MR. SPEAKER:

The hon. the Minister of Culture, Recreation and Youth.

MR. BUTT:

No, Mr. Speaker, it has not. The matter is being actively worked on right now. There has been no firm decision made at this point in time, Mr. Speaker.

MR. LONG:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. LONG:

In view of the fact that the workers at the Arts and Culture Centre have been on strike since March 21, and for the last two months have been told that they can expect a decision at any time, will the minister promise the workers who are on strike, who are about to picket events next week at the Arts and Culture Centre to

prevent them from happening, unlike the visit by the Prince, that they can expect an answer within days as to their request and the proposal which we have already addressed here?

MR. SPEAKER:

The hon. the Minister of Culture, Recreation and Youth.

MR. BUTT:

Mr. Speaker, I would suspect that an answer will be forthcoming very soon. In the meantime I can say to the hon. the member for St. John's East that I, too, am very concerned about workers at the Arts and Culture Centre who find themselves out of jobs. I will certainly notify them just as soon as a decision is made on this matter, and that should be coming forward in the very near future.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, my question is to the Minister of Social Services (Mr. Tobin), who was in his seat a minute ago.

MR. SIMMS:

He is listening.

MR. EFFORD:

The question, Mr. Speaker, is concerning a young man, Arnold Riche, who has cerebral palsy, who came in just a couple of days ago from Goose Bay looking for a job in St. John's, found himself in a very difficult financial position, went to the Department of Social Services for financial assistance, and the police were called in and asked to take him away. I want to

ask the Minister of Social Services, and I am sure he is most concerned about this matter if he is aware of the matter - Do you want me to repeat the question? Mr. Speaker, he did not hear the question.

The question is concerning a young man, Arnold Riche, who came in from Goose Bay just a couple of days ago looking for employment in St. John's, found himself in a very difficult financial position, went to the Department of Social Services for some help, which they would not give him, and the only thing they did was to call the police in and have him taken away. I ask the Minister of Social Services is he aware of this? Would he tell us what he has done to correct the situation?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. TOBIN:

Mr. Speaker, I do not want to get into specific cases with the hon. gentleman, using names and all that. If that is the game he wants to play, he can play it. To be perfectly honest with you, Mr. Speaker, I find his question today similar to the questions he always asks. That is a little difficult to believe.

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave, a supplementary.

MR. EFFORD:

Thank you, Mr. Speaker.

This is not about an individual. This is another of the many hundreds of similar cases

happening in the Department of Social Services.

MR. SPEAKER:

Order, please!

A question, please.

AN HON. MEMBER:

I suppose you can list them.

MR. EFFORD:

Yes, I can list them, and I will if the minister will listen.

I ask the minister very clearly is this a new policy his department is adopting, that rather than helping people with emergency needs they are going to call the police in and have them arrested?

MR. TOBIN:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. TOBIN:

Mr. Speaker, the hon. member, who is the spokesman for the Liberal Party, for some reason or other lately is always trying to attack the Social Workers of this Province. He is up here again today, Mr. Speaker, making statements which, like I said, I have difficulty in believing, that someone came in and sat down in a chair and asked for social assistance, and the police had to be called to remove that person just because he sat down in a chair and made a simple request for social assistance.

Mr. Speaker, the Social Workers in the Department of Social Services are a very professional, dedicated and competent group of individuals, and I do not think they deserve to be abused and

treated with such callous action as the member for Port de Grave has done.

MR. EFFORD:
Mr. Speaker.

MR. SPEAKER:
A final supplementary.

MR. EFFORD:
Mr. Speaker, I say to the minister just briefly that it is not the Social Workers but the minister and his department. I ask the minister does it matter whether there is one individual or one hundred individuals involved? Does there have to be one hundred people in trouble before they can be helped? Is there not an emergency policy set up in his department to help people when they are in need? That is the question. Numbers do not matter. One individual is just as important as one hundred individuals.

MR. SPEAKER:
The hon. the Minister of Social Services.

MR. TOBIN:
Mr. Speaker, as a matter of fact when our Social Workers are interviewing people, they usually interview them on a one-on-one basis, not on a one-on-one-hundred basis.

MR. GULLAGE:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Waterford - Kenmount.

MR. GULLAGE:
A question to the Minister of Career Development and Advanced Studies.

The minister has announced that there is a reorganization of the department going on, especially with respect to programs of less than two years duration. The start of that was the announcement that Cabot Institute would transfer many of its programs to the community college system, but without adequate funding. Given the fact that 90 per cent -

MR. SPEAKER:
Order, please!

Would the hon. member please pose his question?

MR. GULLAGE:
- of students indeed have to pursue other than a university education, will the minister explain whether, in fact, additional funding was made available to the community colleges - Carbonear, Seal Cove, Bell Island and St. John's - to ensure that the extra strain would be accommodated?

MR. SPEAKER:
The hon. the Minister of Career Development and Advanced Studies.

MR. MATTHEWS:
Mr. Speaker, there was a considerable increase this year in the budget for post-secondary education in the Province. With the five community colleges, particularly, the grants in aid to each community college was determined on a consultative basis with the president of the each community college, and they had a look at the figures before any final decisions were made. The amounts of money that have been granted to each community college, from the feedback we have gotten since the budget was announced and the monies granted, are quite adequate to carry out a very good

program for this fiscal year.

MR. GULLAGE:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Waterford - Kenmount.

MR. GULLAGE:

Mr. Speaker, having not answered the first question, I would like to ask once again whether or not, in fact, we have seen a cancellation of these courses, not a transfer at all, and that the only way students can access these courses is by way of enrolling in private colleges, and rather than paying \$500 a year they are looking at \$4,000 to \$5,000 per year?

MR. SPEAKER:

The hon. the Minister of Career Development and Advanced Studies.

MR. MATTHEWS:

Mr. Speaker, that is certainly not the intent of the reorganization of our post-secondary education system. We are not in any way, as I stated on a number of occasions in this session, favouring the private schools in this Province. The private schools, the private institutions, are a fact of life. They have been in existence in the Province for over twenty years. They have grown fairly rapidly. We feel very confident, Mr. Speaker, by having consultations with the presidents of the three provincial institutes, the presidents of the community colleges, and the Boards of Governors that are in place, that we are offering the students of this Province and the students of this city a very adequate opportunity to pursue post-secondary education, training, and career goals.

We think, Mr. Speaker, that the changes we have initiated are in the best interests of young Newfoundlanders and Labradorians. We are making changes so there will be some fallout, there has been fallout. We are eliminating courses where the graduates coming out have had very little success in finding employment. We are trying to bring on stream a post-secondary education system that prepares Newfoundlanders and Labradorians for future job markets.

MR. GULLAGE:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Waterford - Kenmount.

MR. GULLAGE:

Mr. Speaker, having stated that it appears that extra funding is available and there will not be a strain, will the minister commit that if there is a strain on the resources in these community colleges, that the eleven courses already cancelled will be supported in the various community colleges, and that in the St. John's community college, where they have been eliminated entirely, they will be reinstated so that students can access these courses and not have to pay \$4,000 to \$5,000 per course outside of the public system in a private school environment?

MR. SPEAKER:

The hon. the Minister of Career Development and Advanced Studies.

MR. MATTHEWS:

Mr. Speaker, there are ample opportunities for any Newfoundlander and Labradorian who wants to pursue any particular

course in this Province. They are offered at various campuses, sixteen or seventeen campuses around the Province, at the provincial institutes and at the university. Again, there is always a certain amount of emotion and reaction anytime there is a change, particularly any time that that change affects a person's employment opportunities and we knew this.

We went into this with our eyes open, Mr. Speaker, when we reorganized the post-secondary education system. There was a lot of consultation all across the Province. We had white papers going on it, input from the people of the regions of the Province and the decisions that we made with regard to the post-secondary education system in this Province, we feel is a very good one. A lot of the courses that are changing, that have been phased out, or will be phased out over the next year or so, are courses where the enrollment has been very, very low. And as well, courses where the graduates have been very unsuccessful. The percentage of graduates who have been successful in finding employment has been very low.

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

MR. K. AYLWARD:
Mr. Speaker, I have a question for the Minister of Social Services, if he is listening, Mr. Speaker. I know he is in the House.

Would the Minister of Social Services tell us what the policy of his department is concerning social assistance recipients who have diabetes and who are in need of a refrigeration unit? Could he

tell us what the policy is of his department in the provision of these services?

MR. SPEAKER:
The hon. the Minister of Social Services.

MR. TOBIN:
Mr. Speaker, the policy of Social Services is to evaluate each case based on its own merit and to deal with it accordingly.

MR. K. AYLWARD:
Mr. Speaker.

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

MR. K. AYLWARD:
Could the minister confirm that the new policy of the Department of Social Services in these cases is to provide them maybe with an ice box or a cooler of some type, instead of a refrigeration unit, because a refrigeration unit is not needed, according to the Department of Social Services, for the storage of insulin?

MR. SPEAKER:
The hon. the Minister of Social Services.

MR. TOBIN:
Mr. Speaker, as I have said the Department of Social Services has no new policy as it relates to that. We have always evaluated each case based on its merits and dealt with it accordingly.

MR. K. AYLWARD:
A supplementary, Mr. Speaker.

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

MR. K. AYLWARD:

I have given the minister specifics of a case already, and this case has exactly the same circumstances as the one I have put to him. Since I put this case to him in a letter of June 1, the person has been in the hospital twice due to bad insulin injections. Now, could the minister tell us again what the policy of his department is in relation to these matters, which are very important to people? Or do we have to have a by-election where you provide refrigerators to people to go vote for you?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. TOBIN:

Mr. Speaker, as I am sure the hon. member for Stephenville appreciates, I do not personally interview all of the people requesting social assistance, and I do not make the decision on each and every single case in this Province. Mr. Speaker, I do not know what the hon. gentleman is talking about when he talks about whether we give out fridges and stoves during by-elections. That has no bearing on our department, Mr. Speaker. Again, Mr. Speaker, I think it stands to tell us the type of an individual the hon. gentleman is when he accuses the Social Workers of this Province of abusing the system during by-elections. Social Workers are non-partisan people, and they are the ones who evaluate the case, they are the ones who approve or disapprove. I think requests in excess of \$1000 or \$1500 that probably comes to the administration or the executive of our department. But such things as a refrigerator, Mr. Speaker, would be done by other people. It is unfortunate the the hon.

gentleman has decided to attack Social Workers and accuse them of playing partisan politics.

MR. DECKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for the Strait of Belle Isle.

MR. DECKER:

Mr. Speaker, my question is to the Minister of the Environment (Mr. Russell). Yesterday the minister tabled a document and through selective readings from this document he tried to whitewash his ineptitude in dealing with the serious issue of PCBs in the Province. Now, will the minister explain why he is so unconcerned about Page 2 of his document, which shows a drainage area as being several ponds or swamps? Does he honestly believe, as the paper says, that those PCBs are simply a curiosity for someone to observe, like you would at a zoo on a Sunday afternoon or does he realize how serious PCBs are?

MR. SPEAKER:

The hon. the Minister of Environment and Lands.

MR. RUSSELL:

Mr. Speaker, if the people of Newfoundland and Labrador want to look at zoos they can sit over here and look across the way, free of cost.

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

Mr. Speaker, the issue of PCBs is a serious one in this Province, and not one that I take lightly. The context in which I made those remarks yesterday was based on an answer to some questions that the

hon. the member for Stephenville had posed a few days ago, and in that context, if the hon. member reads the copy that I tabled, it was quite obvious that certain tests had been done in an area, and people felt that tests should be done in another area and they were curious about the results. Certainly, the issue of PCBs is not one to be taken lightly. What I read yesterday was not taken directly from the report but a letter, as the hon. member should know, that was sent to the council at St. Anthony.

MR. DECKER:
Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. the member for the Strait of Belle Isle.

MR. DECKER:
The minister told the House yesterday that \$2,500 would be required to help clean up this site near St. Anthony. Well, actually, according to the document, it is \$19,000.

MR. SPEAKER:
Order, please!

MR. DECKER:
Even so, when the minister buries this site, at a cost of \$19,000 or \$2,500, whatever it is going to take, can he assure the people of St. Anthony then, once it is buried in mud, that there is no longer any danger to people who frequent this area, whether they are berry picking, hiking or whatever? Can he assure them that, as a result of visiting this site, they will not end up taking chemotherapy treatment?

MR. SPEAKER:
The hon. the Minister of

Environment and Lands.

MR. RUSSELL:
Mr. Speaker, I thought there were only two alarmists in the official Opposition, but now, we have number three.

Mr. Speaker, officials in my department, who are very well technically qualified to look at those things and to understand those things, PCB's and the potential effects there could be, have advised me and advised the council of St. Anthony that there is not really a serious problem there.

I think in response to a question yesterday - it might have been the hon. member who wanted me or my officials to take another look at the flow patterns or something down there - I indicated I would certainly be very pleased to do that. If things have changed since the report was done last year, then certainly I will be willing to take another look at it. And if problems have, as I said, developed since that report, certainly we are prepared to take a look at resolving them.

MR. SPEAKER:
Order, please!

The time for Oral Questions has elapsed.

Notices of Motion

MR. WINDSOR:
Mr. Speaker.

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

MR. WINDSOR:
Mr. Speaker, I give notice that I

will on tomorrow ask leave to introduce a bill, "An Act To Amend The Financial Administration Act, 1973."

Answers to Questions
for which Notice has been Given

MR. BARRETT:
Mr. Speaker.

MR. SPEAKER:
The hon. the Minister of Development and Tourism.

MR. BARRETT:
Mr. Speaker, I would like to provide some answers to the hon. the member for Port de Grave (Mr. Efford) who asked in this House yesterday and made numerous accusations concerning the advertising and promotional initiatives by this government with respect to seafoods and fish.

If members might recall, some weeks ago I brought to this House for everybody's edification a number of the publications prepared in the department with respect to many of its initiatives. Prior to that, I had also informed and brought to the House a number of other product information packages. Numbered among them were a number of packages to do with Newfoundland seafood, fisheries, high technology in the fisheries and everything else.

Just so the record is again clarified for some of the slow learners on the other side, of which obviously the member who asked the question is one, I am going to have tabled so he can have on his desk a couple of the Centre of Excellence brochure which highlights the high tech

industry as it relates specifically to the fishery. Newfoundland and Labrador as it relates to the future is here, a publication which highlights the opportunities in all of our resource sectors, with a significant section on the fishery. For the consumer, here are two sets of recipe packs which are distributed at various seafood shows and everything else which are very much in high demand. They have gone into production about a dozen times now.

I have a very interesting pamphlet which is inserted into major international publications which outlines in detail all of the fish products utilized and produced in this Province with some sample recipes. Here is a glossy production, **Explore Newfoundland Seafood**, another detailed explanation of fish handling, processing and merchandising of fish in this Province which is distributed throughout the Province and internationally, Mr. Speaker.

Newfoundland Seafood, A Smart Idea is another colour brochure outlining all of the information as it relates to Newfoundland fisheries, its shell fish, the creativity, and the protein value of the product.

Also done, Mr. Speaker, en francis, is a publication called **The Fishery** which addresses specifically the opportunities and the issues surrounding the fishery in this Province.

Here is a major piece of information which is distributed very widely, **Fish Products of Newfoundland and Labrador**, Fish producers, all of the information relating to the quality, the

numbers, the catch rates, the amount of processing done, and the diversification of the industry.

The Canadian Directory of Fish and Seafood Shell Fish Exporters is here, of which department and the Department of Fisheries contribute significantly by listing, for international reasons, all of the fish producers and fish handlers in this Province.

We have also done a number of editorial pieces. I have brought along a sample of two, **The Newfoundland Fishery, A Success Story of the 1980s**, five pages of information relating to the new look in the fishery in this Province.

The Newfoundland Caplin Industry says what has happened in that industry over the past number of years.

Here is a fact sheet published by The Newfoundland Statistical Agency of fish landings and the increased value of landings as a result of these initiatives.

Also, Mr. Speaker, we have participated in the last five years in seventy-three major international seafood and fishery-related high-tech exhibitions throughout the world, which have incurred an investment of \$2.2 millions of dollars but, more importantly, Mr. Speaker, have attracted 269 exhibitors from the private sector of this Province to participate in these major international expositions.

Now, Mr. Speaker, if the slow learner, the member for Port de Grave, has difficulty with looking at this stuff, maybe I can have the leave of the House to ram it, one piece at a time, down the

member's throat. That way, he might absorb it or he might know what the heck it is we are doing here.

MR. EFFORD:
A point of order.

MR. SPEAKER:
Order, please!

A point of order, the hon. the member for Port de Grave.

MR. EFFORD:
Mr. Speaker, the Minister of Development just stood in his place and gave an explanation of what they are doing to promote fish products in this Province, but at the end of his statement, Mr. Speaker, he said if he had the opportunity, by leave of the House, he would ram that literature, piece by piece, down the member for Port de Grave's throat.

I say to the Minister of Development that that is a threat. But it would be a lot better if he would circulate that material so the people of Newfoundland and of Canada could see it, not just have it on his own desk.

SOME HON. MEMBERS:
Oh, oh!

MR. SIMMS:
Mr. Speaker.

MR. SPEAKER:
Order, please!

The hon. the President of the Council.

MR. SIMMS:
Just very briefly, Mr. Speaker. There is no point of order.

MR. EFFORD:

There is. That was a threat.

SOME HON. MEMBERS:

By leave! By leave!

MR. SPEAKER:

Order, please!

There is no point of order. Actually, I did not hear that comment, and the reason for that was I had some doubt whether I had seen, actually, a question about that particular topic. I know it was asked yesterday in Question Period, but I do not remember signing any particular note that that particular question was put down for an answer. I may be wrong, but I certainly do not recall same.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Fogo.

MR. TULK:

I am glad Your Honour ruled on that. I was going to rise on a point of order, but we do want to hear the information and therefore, I did not rise. What we have seen here today is - and the minister may have done it unknowingly - the member for Port de Grave (Mr. Efford) asked the Minister of Fisheries (Mr. Rideout) a question. There was no notice given that he was going to answer it at a later date. I caution Your Honour, and I know you will take it under advisement, that if ministers are going to be allowed to stand up the day after on questions they were not asked about, we can have a full-scale debate going on by ministers just whenever they choose to do so under this daily routine of

business.

MR. SIMMS:

To that point of order.

MR. SPEAKER:

To that point of order, the hon. the President of the Council.

MR. SIMMS:

No, Mr. Speaker. You can take that under advisement or whatever. I have an answer to give, that is all.

MR. SPEAKER:

There is no point of order. I do understand the point the hon. member is making.

The hon. the President of the Council.

MR. SIMMS:

Thank you, Mr. Speaker.

Members opposite complain because they do not get answers to questions. When we get up to give answers, then they -

MR. MORGAN:

Then they complain because we are giving information.

MR. SIMMS:

So you cannot win, Mr. Speaker.

Anyway, Mr. Speaker, I rise to respond to a question asked by the member for Menihek (Mr. Fenwick) yesterday, of which I said I would take notice, with respect to the appointment of the Chairman of this special Appeals Board. Mr. Hollett was appointed about two weeks ago. He was considered appropriate for the position because he had had, as I said yesterday, considerable involvement with the Hay classification system when it was first brought into effect for

management, during the initial classification process, by serving as a member on one of the rating committees.

He is a person at the deputy minister level. It is a very senior level. He is also an individual who, at this particular point in time, had the time to do the job. That was one of the difficulties we had. We had nobody at a deputy minister level whom we could spare for eight months. So we did a search and we identified Mr. Hollett as somebody with the experience and with the time.

He is retired from the public service, as the member pointed out. He is being paid, not a salary, but a per diem allowance, similar to what you would pay a board. I do not know how much but it is a normal per diem allowance paid to chairmen of boards and so on, as set down by guidelines. I do not know what it is.

He is paid a per diem allowance for his work on this board.

This type of financial remuneration is appropriate since a Public Service Pension is not considered an annual salary. That is the point, I think, the hon. member was trying to get at yesterday. The Public Service Pension, of course, is a right which had accrued and is paid from an account independent from the Consolidated Revenue Fund. He is not considered an employee under the legislation the hon. member was talking about. The nature of his work is such that the allowance is paid only when the work is performed. In other words, he might be busy for two or three days, he would be paid a per diem, and he might not need to

meet for another two or three days after or next week.

There are many other examples, by the way, I might tell the hon. member, where this has occurred in the past, where retired public servants have been contracted to a special job or special work.

So finally, to answer the question directly, this is not an unusual practice and my information and my advice is that it certainly is not in violation of The Public Service Pension Act, as the hon. member asked yesterday.

MR. BLANCHARD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Labour.

MR. BLANCHARD:

Mr. Speaker, hon. members opposite have been asking a number of questions since about the beginning of May, I guess, about the Appeals Tribunal. In actual fact, Mr. Speaker, the member for Fogo has been really sporadically regurgitating the same question over and over again. I have been answering his questions. The letter I am about to table, Mr. Speaker, actually I showed to the hon. the Leader of the Opposition three or four days ago, and there were, in all honesty and sincerity, some statements in the letter where I was not quite sure of the meaning, but I have not discussed them with Mr. Buffett yet. Nonetheless, in a spirit of sincerely trying to provide the information he talking about, I am prepared to table the letter now, Mr. Speaker.

MR. DECKER:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for the Strait of Belle Isle.

MR. DECKER:

I refer Your Honour to the Order Paper of May 18 of this year, at which time I had a written question on the Order Paper to the Minister of Culture, Recreation and Youth. It was a technical question, otherwise it would have been asked in the House. It was concerning the spending of -

MR. SPEAKER:

Order, please!

That is not a point of order.

MR. DECKER:

Thank you, Mr. Speaker.

Petitions

MR. PEACH:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Housing.

MR. PEACH:

Thank you, Mr. Speaker.

I have a petition to present to the Legislature from two communities presently located in the electoral district of Trinity - Bay de Verde. The two communities are asking for a boundary change.

I understand, Mr. Speaker, as a petition is taken in a community, that the proper procedure is to bring it to the Legislature, at which time the Legislature will deal with it by passing it to the proper department, which I understand is the Department of

Justice.

Mr. Speaker, I have really two petitions, but both of them are identical except for a word change in each of them. So I understand and realize that my colleague, the member for Trinity - Bay de Verde (Mr. Reid) is going to speak as well, and the member for Port de Grave indicates to me that he wants to speak on the petitions, since they are related to the Conception Bay area. So I want just to present the two petitions as they are, Mr. Speaker.

The first petition reads in its prayer:

WHEREAS the Conception Bay community of Caplin Cove is presently in the electoral district of Trinity - Bay de Verde, and

WHEREAS Caplin Cove is geographically closer to the electoral district of Carbonear than to the rest of the communities of the electoral district of Trinity - Bay de Verde, and

WHEREAS Caplin Cove is serviced more by the communities in the Carbonear District, and

WHEREAS nearly all of the children attend school at Jackson Walsh High School and Jackson Walsh Elementary in Western Bay, which is in the electoral district of Carbonear.

We, the residents of Caplin Cove, humbly petition the Provincial Government to have the community of Caplin Cove included in the boundaries of the electoral district of Carbonear.

The petition, Mr. Speaker, is

signed by 106 residents of that community. As a matter of information, Mr. Speaker, the last voters list used in 1985 showed there were 119 people on the voters list. I am sure some of those have moved out since then, but you can clearly see that the entire community, pretty well 99 percent, are requesting this from the legislature.

The other petition, Mr. Speaker, or the other part -

MR. SPEAKER:
Order, please!

I think it would be more appropriate to deal with one petition and then deal with the second one. Some hon. members may want to speak on one and may not want to speak on the other.

MR. PEACH:
Mr. Speaker, both are the same except the name is changed.

SOME HON. MEMBERS:
By leave!

MR. SPEAKER:
Well, by leave.

MR. PEACH:
By leave, okay.

The second part of the petition I have to present, Mr. Speaker, reads like this:

WHEREAS the Conception Bay community of Low Point is presently located in the electoral district of Trinity - Bay de Verde, and

WHEREAS with the exception of the community of Caplin Cove, is geographically closer to the electoral district of Carbonear, than to the rest of the

communities in the electoral district of Trinity - Bay de Verde, and

WHEREAS Low Point is serviced by the communities in the electoral district of Carbonear, and

WHEREAS the community of Caplin Cove has petitioned government to be placed within the boundaries of the electoral district of Carbonear, and

WHEREAS we are located approximately one mile from that community

We, the residents of Low Point, humbly petition the Provincial Government to have the community of Low Point included in the boundaries of the electoral district of Carbonear.

I wish to point out, Mr. Speaker, that this petition is signed by twenty-three residents of the community of Low Point and on the last voters list in 1985 there were twenty-seven people on the voters list. So we can clearly see it is the full support of the entire population of both communities.

I want to point out, Mr. Speaker, that both of those communities are requesting a boundary change on the grounds of geography. Over the years both communities have been back and forth, I guess, between the Carbonear, Carbonear - Bay de Verde, Trinity - Bay de Verde and the old Bay de Verde district. It is a matter of geography, I guess, that those communities are on the Conception Bay side of the electoral district of Trinity - Bay de Verde.

The community of Caplin Cove is about two to three kilometres

outside of the present boundary of the Carbonear District, which ends at a place called Flambro Head, the geographic boundary. Then the community of Low Point is approximately one kilometre along Route 70, but off the main highway.

Both of those communities are serviced clearly, by and large, by the health services and by the education services in the Carbonear District.

So on those grounds, Mr. Speaker, both of those communities have asked to be relocated, I guess, within the boundaries of the Carbonear District, versus the Trinity - Bay de Verde District.

The nearest community to those, located in the district of Trinity - Bay de Verde is Old Perlican, which is about ten kilometers away.

So, Mr. Speaker, I present those two petitions to the Legislature and I trust that the appropriate person, the Minister of Justice, will, as soon as possible, draft the proper legislative bill to see that the wishes of the 129 residents of both of those communities can be accommodated.

I would assume, if we are going to be here in the Legislature, Mr. Speaker, until the end of July, that that will allow sufficient time for this act to be done.

Thank you.

MR. EFFORD:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Port de Grave.

MR. EFFORD:
Thank you, Mr. Speaker.

Mr. Speaker, the reason behind the petition to change those two communities, Caplin Cove and Low Point, to the district of Carbonear, is not a matter of government policy. It is convenience for the people of that particular area.

The member for Carbonear is quite right. If you look at the district of Trinity - Bay de Verde and the distance from one end of the district down to where it ends now, it is a very, very long district, and many of the communities are separated by barren lands. These people on the North Shore of Conception Bay certainly, as the member for Carbonear just indicated, do avail of all the services in the district, the business services, the hospital services, and whatever. It is the same with the school system. But, in relation to that, the fact that they are on that particular shore, that straight shore there, and they go to the Trinity - Bay de Verde district, if you go up around, geography alone is enough of a reason for those two communities to be joined with the Carbonear district.

I do not see any reason or any negative comments that anyone could even possibly make about it. Some people might say, 'Well, there may be a few more votes in those couple of communities.' It cannot be in this particular case because both districts are held by the Progressive Conservative Party. That is only for this election past, of course, not after the next election. Certainly that will change.

Mr. Speaker, I do not need to take up the time of this House of Assembly to repeat what the MHA

for Carbonear just said, the Minister of Housing, just to say that we certainly, on this side, can see nothing wrong with it, except to give our support. As we just said, it is for the convenience of those people and it is a practical and sensible thing to do.

Thank you, Mr. Speaker.

MR. REID:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Trinity Bay de Verde.

MR. REID:
Mr. Speaker, I would like to support the prayer of the petition, which has been presented by the Minister of Housing and also the MHA for Carbonear district.

Certainly Low Point and Caplin Cove are indeed closer to his district. These people work together. They associate through recreation, churches, schools, and everything. Certainly, with the large district I have, there is nothing wrong with it in the world.

I was very, very surprised when we had this distribution of different districts throughout Newfoundland and Low Point and Caplin Cove came into this particular district which I now represent. I certainly was not in favour of it at that particular time, and I am sure that by going into Carbonear district, they will certainly get full co-operation from their member and be able to associate with the general public in the manner they always did.

I thank you.

SOME HON. MEMBERS:
Hear, hear!

Orders of the Day

MR. SIMMS:
We will do a couple of first readings, Mr. Speaker, on the back of the Order Paper. Motion No. 12.

Motion, the hon. the Minister of Justice to introduce a bill, "An Act Respecting The Protection Of Human Rights," carried. (Bill No. 59).

On motion, Bill No. (59) read a first time, ordered read a second time on tomorrow.

MR. SIMMS:
Motion 13.

Motion, the hon. the Minister of Justice to introduce a bill, "An Act To Amend The Corporations Act," carried. (Bill No. 58).

On motion, Bill No. (58) read a first time, ordered read a second time on tomorrow.

MR. SIMMS:
We will do those few third readings at the beginning too, Mr. Speaker. Order 3, Bill No.1.

On motion, a bill, "An Act Respecting The Observance Of Remembrance Day", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 1).

On motion, a bill, "An Act To Amend The Internal Economy Commission Act", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 16).

On motion, a bill, "An Act To Amend The Trustee Act", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 3).

On motion, a bill, "An Act Respecting Judgment Recovery (Nfld.) Ltd.", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 37).

On motion, a bill, "An Act To Amend The Consumer Reporting Agencies Act", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 5).

On motion, a bill, "An Act To Amend The Fisheries Loan Act", read a third time, ordered passed and its title be as on Order Paper. (Bill No. 13).

On motion, a bill, "An Act To Amend The Schools Act", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 7).

On motion, a bill, "Act Act To Amend The Education (Teachers' Pension) Act", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 8).

MR. SIMMS:

Mr. Speaker, I move that we move into Committee of the Whole to consider certain resolutions respecting the Stock Savings Plan and Venture Capital Plan which we were debating a couple of days ago.

On motion, that the House resolve itself into Committee of the Whole, Mr. Speaker left the Chair.

Committee of the Whole

MR. CHAIRMAN:

Order, please!

MR. SIMMS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the President of the Council.

MR. SIMMS:

Mr. Chairman, as a point of information, for the benefit of the hon. member for Eagle River (Mr. Hiscock), who has been asking, we did indicate a couple of days ago we were going to continue on the finance motions today, venture capital and stock savings, and if we hopefully get through those two resolutions, we are going to move back into the Whole House to deal with the City of Mount Pearl Act. We are hoping to do that. There are some people in the gallery, I think, who are interested in that bill.

MR. CHAIRMAN:

The hon. the member for Waterford - Kenmount.

MR. GULLAGE:

Mr. Chairman, when I adjourned the debate the last time I spoke on this bill, I believe, my last comments were to the effect that in fact it was patterned very much after the Quebec bill and that the Quebec experience has been very good for that province in that the initiative taken has indeed stimulated the growth of companies throughout the province of Quebec.

The people in that particular province have certainly become investors in a very large way and indeed that is the intent. The main intent, of course, of this bill is to encourage investment by way of our own people who are traditionally savers, probably per

capita greater savers than most other provinces, but have a reluctance to invest.

The bill does address very well the first two categories of companies by including safe investments, a safe way for people to become involved in the stock market. This is to be applauded because otherwise, I think, it would be very difficult to have people make a start towards investing in their own Province, and indeed for the very large category of people out there who are unwilling to take part in a venture situation, are certainly more than willing to invest in Newfoundland Tel, Newfoundland Light, or indeed upstream companies such as Fortis Corporation.

The one area of the bill I have some concern with is the venture capital portion in that, I think, there are a lot of companies throughout the Province, and indeed a lot of sole proprietorships who would like to become incorporated eventually, who have a great deal of trouble accessing equity participation, and indeed, find it difficult to raise funds through the traditional sources, whether it be the major banks, FBDB or the Newfoundland Development Corporation. All of these sources for many small businesses are very difficult to access because they are companies which are in the formative stage.

Indeed, without a track record, and without some years of profit behind them, a track record they can point to and, with sufficient assets and profits to point to, it is very difficult to access money by way of the traditional sources such as, as I mentioned in

particular, the banks, which are, needless to say, more than reluctant as far as investing in anything that is not fully secured.

FBDB was meant to be an answer. I suppose it is an answer for most categories of business and industry, but it does not make funds readily available to a large category of companies out there, as I mentioned, including firms that are not incorporated as well which have great difficulty in growing beyond a certain stage because, I suppose - Venture Capital is the right word for it - Venture Capital at the stage they find themselves in is not readily available and, indeed, apart from trying to count upon friends or people they may contact through their professional advisors, are left in the real situation of having to be stagnated in their growth.

I would like to see the government pursue another initiative beyond what they have done, which is to be applauded, whereby these firms that, indeed, are in need of substantial funds in order to grow and prosper, should have access through, perhaps, a subsidiary of the Newfoundland and Labrador Development Corporation, which might be a suggestion. Perhaps a subsidiary could be set up with programs such as we have seen in this particular bill, programs being offered through a subsidiary of the Newfoundland and Labrador Development Corporation that would address the needs of a category of business in this Province which is the category, I suppose, in the first five years where it is most difficult to become established. Indeed, as we know, 80 per cent of businesses formed fail in the first five years.

That is where there is a real void in Newfoundland right now - not just in Newfoundland, but everywhere else - where it is difficult to find equity participation when you do not have a good track record to point to, and Venture Capital is not readily available.

I would like to see the government, because it is evident that, to date anyway, sources of capital, other than the government becoming involved, has not been available. I would think the Newfoundland and Labrador Development Corporation, who are, indeed, approached by a lot of these firms and rejected because they do not meet the criteria, might want to consider setting up a subsidiary company with a program tied into that company which could address these needs.

In the bill, Mr. Chairman, we do not see any provision for debentures. I agree that the first two categories of companies does address this fairly well, in that the shares are relatively safe. But I would have liked to see an allowance for convertible debentures that could be converted, of course, to equity later on, but would allow people to take almost no risk at all.

People who are used to conservative saving by way of debt instruments, such as savings accounts, annuities, RRSPs and term deposits, and so on, that sort of person who traditionally is predominant in Newfoundland would be attracted to the idea of perhaps investing by way of a debenture, with the idea of converting later on to shares. That would have been a provision or I think it could have been very helpful.

I think the minister already spoke to the fact that tax credits are now paid only yearly. I am not sure whether that could not be looked at on a quarterly basis as well, so people would be more encouraged to participate, if their tax credits could be available on a quarterly basis as indeed many people, particularly higher income earners, pay their tax on a quarterly basis. Having the credits available on that basis as well could be very enticing and very convenient for this group of investors.

I would recommend as well, Mr. Chairman, that preferred and convertible shares could also be made available to this initiative later on, as well as debentures. Again, speaking to the same category investor who is out there, who is very conservative, a preferred share offering and debentures indeed are close to what the government's initiative has in mind with the first two categories of companies. So I would offer those two suggestions which might be looked at for the future.

Perhaps tax free bonds, again, to the same category of person, a tax free bond initiative could be considered.

Mr. Chairman, the initiative the government has taken with the Venture Capital Tax Credit Program and the Newfoundland Stock Savings Plan, I think, will in fact be successful.

I would like to see more than \$3 million available because that only amounts to perhaps a maximum of \$10 million to \$13 million over the first year or any given year. Given that you cannot hold your shares beyond two years, Mr.

Chairman, I would think the interest in the program, particularly the Stock Savings Plan, would be such that I hope that the government has in mind expanding the numbers of dollars available in grants beyond the \$3 million they have opened up with.

The fourth category mentions "emerging" company. There are not too many in Newfoundland who meet this criteria, needing a minimum of "25 or more shareholders at arms length" and including all those which are "publicly traded." We do not have any, I believe, which are public, there may be one or two. But I do not think there are any publicly traded. We have some closely held. I think there may be only one or two closely held in category four.

So we have a good bill, Mr. Chairman, but it is very much restricted in categories one, two, and even three and four to a very small number of companies. Although people will certainly take advantage, and it will be a start towards having Newfoundlanders and Labradorians invest in Newfoundland, which is the main thrust of what the government has in mind, and, of course, to encourage, I would hope, emerging companies, which is category four, which is the most important category, naturally, because the other three categories one, two and three are certainly well on the way -- Categories one and two, "senior" companies and "mature" companies with assets between \$300 million and \$500 million, category one, and not exceeding \$300 million, category two, obviously, these two groups of companies are very successful and are meant to, as I mentioned, encourage people to get started in

investing in their own Province and in making an offering of these particular companies, which are very safe, will indeed get people started towards equity investment in Newfoundland and Labrador.

But I think the ultimate goal should be to have people invest at least a part of the dollars they have available for investment in "expanding" companies and "emerging" companies, categories three and four. We have very few companies in the Province that fit the criteria of category three of which, including those listed on the stock exchange, I believe we have only one listed on the stock exchange, category three. There are very few again in this category, "expanding."

So the most important category obviously is category four. I believe the government's priority, as far as assisting a group of companies is concerned, has to be category four which is companies that are "emerging" and trying to get started in the marketplace and very much in need of equity participation, given the fact it is very difficult to access traditional sources if you are, as I mentioned earlier, trying to get started and particularly if you are in your first five years of operation.

So, Mr. Chairman, I would hope that the government will expand this program beyond category four, which indeed is very much the focus of what they are trying to achieve and, by way of another bill, perhaps, or an addition to the existing legislation, whether it be by way of using Newfoundland and Labrador Development Corporation or some other arm of government that can be used, providing a way for emerging

companies that are not strictly in category four here, providing a way for them to access venture capital, whether it be through a publicly traded company which could be set up under the auspices of a Crown corporation, or some other vehicle that could be used in co-operation with the stock brokers.

The need is evident, Mr. Chairman, to go beyond category four and indeed address the crying need that is out there in the community. It is evident to anybody who has spoken to people who have tried to access funds through FBDB or Newfoundland and Labrador Development Corporation, the great difficulty of meeting the criteria and getting through the red tape.

MR. FENWICK:
Companies (inaudible).

MR. GULLAGE:
A good question. I think I addressed it earlier, but very few companies are, in fact, eligible for categories one, two and three. By my calculations, I can see only five companies in Newfoundland that can meet the criteria for the first three categories, only five companies in Newfoundland can, in fact, be used by investors to purchase shares in Newfoundland. So categories one, two and three really do not address this. All they do is provide a safe vehicle to introduce people to the government's program, and that is to be applauded, but certainly it does not do anything for companies that are emerging and in the set-up stage and in a situation where they very much need equity participation because of the inability to access funds through FBDB or the Newfoundland and

Labrador Development Corporation.

As I was about to say, we all know people who have business ventures already underway or who are indeed trying to get started in business or small industry, and the red tape they have to go through through these two particular government agencies makes it indeed very difficult to succeed and to avail of loan funds through government sources. If you are an "emerging" company, which category four speaks to, or if you are outside the category of "emerging" companies, as stipulated here, and you are much smaller, the availability of funds to you by way of lending from the banks and from other sources outside of government is almost impossible to access.

So, Mr. Chairman, in summation, I would just like to say I think it is very important for the minister to consider going beyond category four. The initiative in this bill is to be applauded, but I do not think it speaks to the needs of the small entrepreneur, the small businessman who is trying to get established and has great difficulty moving his company, incorporated or not, to a stage of success because funds for expansion are not available.

I think we need to focus eventually on that small company and on small business, because in Newfoundland and Labrador that is certainly where it is at as far as business is concerned. The vast majority of business done in Newfoundland and Labrador and the country in general, is in the small business category, and we have to find ways of assisting the entrepreneur to access venture capital moreso than we are doing at present.

We certainly support the bill. With the few suggestions, Mr. Minister, I have made as to additions which could be considered later, we would like to support the bill in principle and hope that the minister will act on these suggestions.

Thank you, Mr. Chairman.

MR. FENWICK:
Mr. Chairman.

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

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

I would like the Minister of Finance (Mr. Windsor), if he gets a chance somewhere along the line, to add in a bit more of the data that was brought up by the member for Waterford - Kenmount (Mr. Gullage). It always helps, I find, when you are dealing with an abstract, which is a piece of legislation, to put examples in and to see how they work.

When I saw the outline of the bill, I think, some weeks ago, we went and had a look at our research material and we came to somewhat the same conclusion that the member for Waterford - Kenmount did, that there did not seem to be a lot of publicly traded companies that would qualify as Newfoundland companies. You said five; we looked at the listing that appears in some of the papers and there are about six or seven. There is Newfoundland Capital Corporation, which I think would qualify, would it not?

AN HON. MEMBER:
Yes.

MR. FENWICK:

There is Fortis and a number of others that may qualify. I am not sure what the situation is. But, essentially, you were not talking about 100 or 200 companies here, it was a very small group.

As I understand the legislation, it is not a matter of going and spending \$1000 or \$5,000 or \$10,000 and buying shares in this company, it is only when a new stock issue is floated. So, it is only when new money is injected into the company. Of course, if our objective is to get more new money in there, that is the only thing that really should get a tax credit or the grant that is associated with it.

One of the other areas that I had a question about at this point, then, was the category four companies, the "emerging" ones, I think they are classified as. I was not sure how many qualified, given the criteria there.

Did you say there was only one, as you thought?

MR. GULLAGE:
Yes.

MR. FENWICK:
Only one.

So, if we are talking about that, and the member for Waterford - Kenmount's numbers are correct, and I assume because he has more background in the area he has that kind of expertise, we are only talking about six companies in that particular section, then this is a very limited one.

Now, maybe there will be a hundred of them next year and maybe that is the objective of it, but maybe the Minister of Finance will be

able to address those particular concerns on it.

Having said that, my concerns are in an entirely different direction. The situation, as I understand the formation of capital and the setting up of industrial enterprises, is we have stock markets all throughout the world. We have the Canadian Stock Market in Montreal, we have the Toronto Stock Exchange and, I think, we have a Vancouver one, and all of those operate with a certain system of rules which means the actual companies listing there have to be quite forthcoming in disclosing their financial situation, their plans, the way in which the board of directors are affiliated with the company. There is quite a bit of disclosure required so if anybody wants to invest in the Newfoundland Capital Corporation, they can pick up an annual report. They can see the performance of the company over the last number of years, and they can make a judgement on whether the kind of business, such as printing and shipping that it is in, are ones that will build up in the future, and then make an investment based on quite a bit of information which has some degree of creditability, since there is an agency that supervises the whole process. So this would be the case for the categories one, two and three of the venture capital.

The problem I see is with category four which, I think, everybody recognizes is the area, if we are going to see expansion, then category four should be the area in which expansion would occur. I am, at this point, very much at a loss to see exactly how it works.

For example, if some entrepreneur

were to decide that he wants to set up an emerging company and gets twenty-five, thirty, or whatever number of investors together, and they decide to set up a company and so on, and it is not going to be listed on the stock exchange, what certainty do I have that it is living up to generally regarded principles of reporting, of fair disclosure, of conflict of interest between the board members and the executive, and so on? All of which, I understand, are managed by very strict rules under the securities exchanges that operate elsewhere.

Although, I have been told that the Vancouver Stock Exchange is a real snake pit. You take your chances in there but, then, I understand that mining and more speculative stocks are exchanged there.

The question then becomes, since this is going to be a heavily subsidized program, both in tax credits given to individual investors and in actual grants, which is the novel part of this particular process, we then are contributing a lot of money in a secondhand way to entrepreneurs setting up. I think, we have an obligation, if we launch this program, to be able to tell the investors themselves there is some reasonable assurance you are not dealing with a bunch of snakes or a bunch of sharks here, and the operation is as it is put forward and you have some feeling of assurance the risks you are taking are known risks, and not those which you have no idea about at all.

I am reminded about the case of the investment counsellor in Corner Brook who is currently up on criminal charges of a various

nature. I do not want to discuss his criminal charges because I do not think that is appropriate. But I do know, associated with his business enterprises, was a number of individual investors who lost quite a bit of money, including, I believe, the Salvation Army which had several million dollars invested with him.

The reason I mention it is because this individual, when we discussed these questions last year in the House with the people responsible for Consumer Affairs, we were told that in this Province virtually anybody can hang out a shingle and call himself a financial counsellor; can receive money and reinvest it. There is nothing this provincial government does to ensure that any kind of standards are maintained in terms of auditing, in terms of accountability, and in terms of the investors themselves having the feeling at least somebody is looking over the shoulder of these people who are taking your money.

So, when you look at this legislation, in combination with those events which occurred last year, I think, it is legitimate to ask, at this point, are we now putting in place better safeguards from this government, from the Department of Consumer Affairs, so that if we are trying to pump money into the class four companies, if we want to use that number, that the small investors, who will be sorely tempted to take advantage of it, at least have some feeling they are playing on a level playing field in which the rules are clearly known, in which the risks they are taking are at least reasonable risks, and they are not dealing with people who are just primarily setting up in order to take advantage of it.

The reason I say that is this program is almost stolen, holus-bolus, from the Province of Quebec where it has been in effect for, I think, six or seven years. I am not sure of the exact length of time. Although there are subtle twists on it, the concept of tax money being used to encourage investment is the basic part of it.

In the Province of Quebec they have found two things we should learn about in this particular exercise. The first thing we should know is it was a tremendous money pump. There were incredible amounts of money which came out of investors pockets, people who normally saved, and was funnelled into investments of all kinds. There were incredible amounts of money. This allowed a lot of businesses to be established in the Province of Quebec and, quite frankly, is partially responsible for the enviable economic performance of that Province.

So on that basis, we certainly see this as an initiative that, since it was clearly demonstrated to be effective in the Province of Quebec, should be adopted here. On that basis, the general principle is one that we can quite easily support.

However, I think we should learn from the problems which befell the program in Quebec, one of which was, since there was so much money, especially towards the end of the taxation years, being pushed into the system, that the good investments became difficult to find. In fact, a lot of this money went to charlatans, to frauds, to individuals who had really no major standards, to people, quite frankly, who should not have gotten the money.

So, in this case, the Province of Quebec had major problems especially with the category four kind of investments, the ones not listed on stock exchanges and did not have the full disclosure that was available.

I think that the Minister of Finance and the Minister of Consumer Affairs and this government have an obligation, when it implements something like this, to give us some safeguards so we know the way in which the money is being invested and turned over to the individuals who will be using it to, hopefully, build productive enterprises and so on, so this will be done in a manner in which the investors have some feeling they know what they are getting themselves into, and they do not have people involved in the whole procedure who might be somewhat less than ethical about it.

That is our major concern at this point. We have not seen anything in terms of legislation, regulation, or even announcements by this government since last year to indicate the problems associated with the major losses that occurred in Corner Brook with this investment counsellor have been overcome, that they have been addressed, or that we have any system currently which can make sure this does not happen again.

So, those are the comments and concerns we have with it. Hopefully, somewhere along the line the Minister of Finance will be able to address those particular concerns and give us an idea of what his government is doing, if anything, to address what I think is a major problem with this kind of system.

Having said that, Mr. Chairman, and since we in Committee of the Whole, and we will have an opportunity to talk to it afterwards, I am going to sit down. I hope the Minister of Finance will be able to give us some more information on both the numbers of the companies, which I think is important, and also whether he could address the whole question of the safety of investing, especially in the category four type of operation.

MR. WELLS:
Mr. Speaker.

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

MR. WELLS:
I have just a few words that I want to address with respect to this matter, Mr. Chairman.

It is obviously a step in the right direction. I guess anybody with hindsight can say too bad we did not do it sometime ago. But we all have that kind of hindsight.

Quebec got into this act first ahead of any other jurisdiction and did fairly well with it, in fact. The other provinces that have come along somewhat later have not done quite as well as Quebec. That may also be partly because of the fact there is greater opportunity for investment and to induce this kind of investment in Quebec than there is in provinces like Newfoundland and Nova Scotia.

But I believe that it does reflect a changing attitude on the part of government, an attitude that will see the government welcoming, and being less suspicious of investors and less difficult to get along

with. It should be helpful. It should help stimulate economic activity in this Province, as the minister said. We just cannot enact that and rely on it alone and expect it is going to be the magic answer to all our problems. That is not likely to occur. But it will, I believe, help stimulate economic activity. Even if it helps in a half a dozen instances, it will probably have been worthwhile. It is not likely, however, to be the perfect answer and we should not expect too much from it because it is not going to solve all our problems.

The government of the Province, I believe, must make investors welcome, and that includes investors within the Province, and make them feel welcome, as well as investors from outside.

Historically, people in Newfoundland have invested in very secure investments. Canada Savings Bonds, savings account, and deposit certificates, and things of that nature, which could be done fairly easily without having to concern themselves directly with the quality of the investment because we have not really had a local financial market that has served the role of putting the investors together with business undertakings that need investments.

There has been no convenient means for investors in Newfoundland in the past to invest in an undertaking without having to be directly involved as the operator or direct owner, and that is where we have fallen down. We have not had a real financial market which has performed the service of bringing investors together with those who need the investment capital.

To some extent this proposal will fulfill that function and hopefully will induce those in Newfoundland, who otherwise would invest generally in the stock market in companies outside the Province, to invest in the Province instead. I believe that both the Stock Savings Plan and the Venture Capital proposal will respond in part to this problem. Hopefully, it will in any event.

It will give, I believe, Newfoundlanders who have money to invest, the convenient connection between them and the business enterprises which need it with, I may say, some sense of security, some sense of assurance that the investment will be handled properly.

While there is not a complete regulation and control and assurance, there is some comfort from having this set up that it will be there.

The different categories and different levels that are proposed, the categories one and two, as other former speakers have noted, provide a much more secure and comfortable investment for persons who have lesser means and who really cannot afford to take a loss or a significant loss.

I believe also that government and the House in general should warn the public that there is and will be some significant level of risks involved with these investments, particularly, say, categories three and four, where there is a greater incentive provided, a total benefit of up to 50 per cent, 20 per cent tax and 30 per cent grant. In those instances and in the venture capital instances, we ought to make sure that the public are fully informed

that there is a high level of risks involved in those investments, because we are offering inducements to invest. It would be wrong for us to induce people who perhaps have very limited means, and have only modest savings on which they rely to provide them with income for their retirement years; it would be wrong for us to induce them to invest in these things and not warn them of the high risk involved in loss.

And I am sure that the investment dealers who are involved and have to be involved in this, will make sure that they are so warned. They must be prepared to lose the money they invest, particularly in category three and four companies, and in the venture capital undertakings. In fairness, we must be honest enough to warn them of that, because people will frequently rely on something that government is involved in or government is promoting as being very secure and a very comfortable investment, and will rush out and invest in. So we have to be conscious of that and make sure that we let them know.

Those comments do not in any manner diminish the need for the program or the desirability of implementing this legislation. I commend the government on doing so. I think it is a good program. Let us just be frank and straightforward about it and ensure that our people are properly prepared and warned.

There are a number of specific areas that we can address when the bill is in Committee stage. A number of things have been mentioned by the hon. the member for Waterford - Kenmount and by other speakers who have spoken on

it, and they can be addressed specifically at that time. But generally, Mr. Chairman, I just wanted to express support for the proposal. I think it is good and I am hopeful that it will make some contribution, however small it might be, to stimulating the economy.

Thank you, Mr. Chairman.

MR. CHAIRMAN:

Before I recognize the hon. the Minister of Finance, it is Thursday and we have three questions for the Late Show. The first one is from the member for Burgeo - Bay d'Espoir who is not satisfied with the answer given him to his question concerning the closing of the Newfoundland Railway. The second is from the member for Sphenville who is not satisfied with the answer given by the Minister of Environment and Lands regarding storage of PCBs in Stephenville. The third is from the member for Port de Grave who is not satisfied with the answer given to his question on falling fish prices.

MR. CHAIRMAN:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Chairman, first of all, I want to thank hon. gentlemen opposite for their comments and for the general expression of support I heard, I think, from pretty well every speaker who has spoken in the debate. I would like to try to deal with just a few of the comments that were made to try to put them in perspective.

The first thing I want to say is that I do not think any of us thinks this is an absolutely perfect piece of legislation. No doubt it will require refinement

and amendment as we gain experience with it and see how it applies to our unique circumstances in this Province. We have, to the best of our ability, taken the experience of the four other provinces, I believe, that have implemented such programs, and we have tried to take those experiences and tailor a program that is best suited to the conditions in our Province. Nevertheless, I think it is fair to say that as time goes on we will gain experience with it and we will have to make changes in it to see that it works well. But I do appreciate the general message of support that has been given by hon. gentlemen opposite.

I just want to relate to a few items raised by the hon. member for Gander. First of all, he said that the program is not a scheme for ordinary Newfoundlanders. Well, I would disagree with that. It is, indeed, designed for ordinary Newfoundlanders. It is not designed for the rich, and, in fact, the maximum benefit can be gained by a family, a couple with two children, which has an annual income of about \$36,000 a year. If they were in a position to invest \$10,000 out of that \$36,000, then they would receive fully \$5,000 in tax credits and cash grants back. So it can be applied to the average Newfoundlander. And, of course, a person does not have to invest the full \$10,000, that is the maximum amount; a person is entitled to invest any amount that he or she is in a position to invest.

I would note, also, that we have Newfoundland Development Savings Bonds, which were introduced last year through the Newfoundland and Labrador Development Corporation,

which is a similar type program which gives Newfoundlanders an opportunity to invest in Newfoundland companies through the Development Corporation with a certain amount of security. So, any individual is in a position to deal with that.

This program is not meant, Mr. Chairman, to try to give an opportunity to all Newfoundlanders, although we want it to be as broadly based as possible and available to as many Newfoundlanders as possible. We are really trying to get at those who are investing now.

I had some rough numbers here somewhere which tell us how much money we are losing. We find that there is \$50 million to \$60 million a year invested in Canada Savings Bonds, there is another \$50 or \$60 million a year invested in Registered Retirement Savings Plans, and there is about \$700 to \$800 million a year in pension funding going out of this Province, Mr. Chairman, and that is growing at about 6 to 10 per cent per year. So we are talking nearly \$1 billion a year that is being invested by Newfoundlanders and Labradorians, and essentially most of that is going out of the Province. That is what we are trying to address with these two bills, to give an opportunity to Newfoundlanders and Labradorians to make that investment in their own Province.

The member for Gander questioned the fact that I said we had a budget allocation in this year's budget of \$3 million, and he expressed the strong hope that that was flexible, that if we needed more that, indeed, there would be more. I think his point is very valid, Mr. Chairman. I

think what he was getting at is that he recognizes that the more we actually utilize this program, then the better it is, and the better it is for the Province.

In other words, the greatest success would be that we blew our budget in the first two months and had to triple it before the end of the year. I am sorry the hon. the member for Gander is not here today, but I can assure him that we do have mechanisms under the Financial Administration Act, through special warrants and by other means, whereby we can access more funding. We would only be too happy to access funding. I know the hon. the member for Gander and, I think, all members of the House would support a special warrant for those purposes.

In that regard I would like to quote the former Minister of Finance of Quebec, the hon. Jack Parizeau. When he launched the Quebec stock savings plan he made a statement which, I think, has a tremendous amount of truth in it and I quote: "You cannot put a price on it. It could be expensive or a real bargain. But for reasons which will quickly become apparent, the more expensive it is the healthier the economy will become and the greater the increase in the government's resources via the usual channels of income and consumption taxes. There could be nothing more agreeable, healthier, and when you get right down to it more profitable for the economy, than this measure will be expensive." He is exactly right. The more successful this program is, the more we have to spend on this program and the better it is for the Province, because it means that so much more private sector funding is being invested in the

Province. As I have indicated, our estimates are that the \$3 million we are putting in this year will actually attract investments of \$12 to \$15 million in our Province by private enterprise, probably a lot of which would not have been invested were it not for this program. Hopefully, we will have a measure of success with the program and we will have to add additional funding.

The hon. the member for Gander also questioned the possibility of persons who pay on a quarterly basis their income tax to get credit. The answer to that, Mr. Speaker, is quite simple. People who pay on a quarterly basis are basically paying on an assessed amount of what they estimate will be one quarter of their annual tax burden.

So, Mr. Chairman, a person simply estimates that there are credits due under this program when he or she is submitting their quarterly installment, so they are, in fact, receiving those benefits on a quarterly basis.

A few other minor points were made. I want to mention just a couple of points the hon. the member for Waterford - Kenmount made. He mentioned that the senior and mature companies are safe investments, and indeed they are. As I mentioned in introducing this bill, they were meant to be, simply because we want to give Newfoundlanders an opportunity to invest in companies with a minimal amount of risk, as the hon. the Leader of the Opposition just mentioned, and it is for that purpose that these were added in there to allow that opportunity. Also, of course, that is reflected in the fact that

the investment tax credit is only 10 or 20 per cent for those larger companies.

I want to point out that the hon. member for Waterford - Kenmount questioned the fact that so many small companies, or companies to be incorporated cannot be involved. You cannot be all things. He is quite right that there are only a limited number of companies presently listed or are trading shares, trading stock. And that also gives you the reason why we need this kind of a program, because there are so few companies which are publicly trading shares.

If I needed proof as to why a program such as this was needed, then that is the answer. Obviously one of the main purposes of this program is to attract more companies to publicly trade and to get equity investment. Again, as I said in my opening comments, one of the biggest problems we have in this Province is that companies are undercapitalized and are too dependent upon debt financing.

I will point out that there is a whole range of government programs dealing with small companies, be they incorporated or not, through FRDB, through NLDC, through Rural Development loans, Fishery loans, the Fisheries Loan Board, Rural Development programs, Department of Development and Tourism agreements, and Forestry agreements. There is a whole range of programs I could take all day to list out which deal with these types of companies. And we have provided set-up funding. There is a \$50,000 allocation to help companies get established for the first time. That is the purpose of that, to help these new companies to get into that

position.

The hon. the member for Menihek is concerned that this does not provide any protection to the consumer. This is not meant to provide protection to the consumer, this is an opportunity for an investor to invest. I think the Leader of the Opposition quite accurately stated that these people must be prepared to lose their money. If they are investing in category four, which are the smaller companies, then there is a certain degree of risk associated with it. But they have the comfort of knowing that 50 per cent of what they invest comes back to them immediately, the first year. So they can only lose a maximum of 50 per cent of what they invest. So there is a reasonable amount of comfort contained there; there are certain clauses within the legislation, Mr. Chairman, which do provide a certain amount of comfort.

Mr. Chairman, I think those are the main points. A number of smaller points were made. I will say to the hon. the member for Waterford - Kenmount, though, when you talk about the fact that you are not getting into the smaller unincorporated companies, that is exactly what the Venture Capital Plan is. These are the riskier ones, and that is why the investor is investing in the Venture Capital Corporation, which is incorporated, and the Venture Capital Corporation in turn is investing in these small companies. That is the mechanism. That is the next step.

The hon. gentleman said, 'These four are fine, we need a fifth step.' That is the fifth step. The Venture Capital Program is exactly that. It is through the

Venture Capital Corporations that individuals have an opportunity to invest in these very small companies which are not publicly traded and are probably too small to justify getting into a share issue.

MR. WELLS:

Would the hon. member permit me a question?

MR. WINDSOR:

Sure.

MR. WELLS:

I just to elaborate on it, because it relates to the point. What I think the hon. member for Waterford - Kenmount was suggesting is that NIDC itself creates a Venture Capital Corporation that many small investors could have confidence in and was not the kind of charlatan type thing the member for Menihek talked about. Any ten people can get together and put forward a venture capital proposal that would provide for an opportunity to invest, but an opportunity would be there if somebody like NIDC promoted a small Venture Capital Corporation that would allow for this private investment.

MR. WINDSOR:

That is what the Stock Savings Plan is.

MR. WELLS:

Well, the Stock Savings Plan is a little different.

MR. WINDSOR:

The Development Savings Plan.

MR. WELLS:

Well, it is still a little different. It is not equity.

MR. WINDSOR:

That is there, where you invest in

NIDC an NIDC in turn invests in companies.

MR. WELLS:

But that is not equity.

MR. WINDSOR:

They also have the Venture Capital Program through NIDC, which is a loan program providing seven-year interest-free loans to Venture Capital companies. So, instead of NIDC actually doing it, we are encouraging, through programs of NIDC, private enterprise to get involved and we think that is a fair way to go.

MR. WELLS:

I agree with that, but I think NIDC might be there, in addition.

MR. WINDSOR:

Mr. Chairman, I move adoption of the resolution.

MR. FENWICK:

Mr. Chairman, just give us five minutes. We will make it short.

MR. CHAIRMAN:

The hon. the member for Menihek.

MR. FENWICK:

Just a few comments on it. One of the things I found quite surprising was the Minister of Finance saying you have to be prepared to lose your money. Actually, he was echoing the comments of the Leader of the Official Opposition.

I do not think he understood my criticisms. I understand that you can always lose money no matter what you invest in. I mean, there were people who invested in Newfoundland bonds back in 1932 who lost money, got the interest halved when they became Imperial bonds and so on. There is no such thing as a safe house, and I know

that, but surely he does not mean that the kinds of abuse that occurred a year ago in Corner Brook with that investment dealer are going to be continued on under the guise of this program. That is the problem. We are not saying that you have a guarantee, all we are saying is you should at least have some clear knowledge of the kinds of risks that are involved here. When you are listed on a stock exchange, you are required to tell people in the prospectus exactly the details of the risk they are getting into. And I am saying to you, if you are looking at companies which are not listed - the smaller emerging ones is the term for it - somehow we are going to have to duplicate the facilities provided by the stock exchanges in here or, otherwise, we are being totally negligent in encouraging people to invest their money without giving them any guarantee that they at least understand the risks that are involved. That is the criticism, not that they lose their money, and we all know that.

But they should at least have some clue of the prospectus of the company. It should have some accounting that it has to adhere to. The fact of the matter is, the individual in Corner Brook who went bankrupt was never, never audited by the Department of Consumer Affairs. Nobody even knew what he was doing. He was just out there, hung up his shingle, took in money, reinvested it and millions of dollars were lost. Yet people assumed that in the kind of society we are talking about, that at least some standards were being adhered to. The fact that they are not is the tragedy.

And this is a money problem. If

you get 50 per cent of your investment back on your income tax return next April or May, I mean, you are going to see tons of money going into it. I think you have to find some substitution for the things the Toronto Stock Exchange, the Canadian Stock Exchange, the New York State Stock Exchange and all the rest of them do, and if you do not do that, then you are just being terribly negligent in what you are doing.

MR. LONG:

Reckless capitalism. Capitalism gone wild.

MR. WINDSOR:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Chairman, very quickly. If the hon. gentleman would read through the act he would see there are requirements here and we are providing financing to help companies to prepare prospectuses and to have legal advice on setting it up. There are certain provisions in this legislation which do protect the consumer to a certain degree. The hon. gentleman is talking about a totally different case, that of an investment dealer. We are not talking about investment dealer legislation here, we are talking about an incentive for people to invest, and to provide some comfort and some security, a portion of the investment, at least, will be returned automatically. Although we cannot provide complete protection against any loss by the consumer, there is some comfort that at least a certain amount of it is coming back.

MR. WELLS:

If I might add to that, there is no intention that this legislation in any way eliminates the existing legal requirements of companies offering shares for sale publicly, file prospectuses and so on. That is required under the existing legislation, and that will still remain. That is there now.

Resolution

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

Motion, that the Committee report having passed the resolution and a bill subsequent thereto, carried.

On motion, Clauses 1 through 29, carried.

MR. WINDSOR:

There are a couple of amendments. The hon. the Opposition House Leader is moving a motion that we pass all clauses. We would certainly agree with that, Mr. Chairman, but there is an amendment to Clause 30 (g) of Bill 34, by striking out the figure '13' and substituting the figure '19'. It is just a straightforward clerical error, Mr. Chairman.

I move that amendment.

Also, in relation to Bill No. 35, since we are doing both bills, I think, the same time - or do you want me to wait until you start calling the headings of that one?

AN HON. MEMBER:

I think we will wait.

MR. WINDSOR:

All right, I will wait for that one. Thank you.

MR. CHAIRMAN:

Shall the amendment to Clause 30 carry?

MR. WELLS:

Before you adopt all clauses, there are just a couple of questions I would like to ask the minister, Mr. Chairman.

With respect to Clause 14, I have spent a long time reading legislation and trying to understand what it means, and this is as confusing as any piece of taxation legislation I have every seen. Is there anything the minister can do to clarify the intention as to what happens on disposition, if you dispose of an investment you have of that nature and, in the meantime, you use the proceeds of that disposition to invest in others? Clause 14 is not very clear. It is a very confusing piece of legislation. I wondered whether or not the minister intended to pass regulations that elaborated or expanded on this so that the rules and guidelines were there. But anybody looking at that would have a great deal of difficulty trying to decipher what they could do in the event of disposition, and what was required on a disposition.

MR. CHAIRMAN:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, if the hon. gentleman does not understand it I am not sure I can help. He is a lawyer, I am not.

My general understanding, if it is of any help to him, is that if a person disposes of a property - the requirement is that it be held

for two years - within that period and he does not replace it with other eligible shares which is quite legitimate, which can be done, then the taxes are due and payable, because they have not fulfilled the obligation of leaving that investment in place for two years and, therefore, it then becomes taxes which must be declared and paid with income tax at the end of the year.

I do not know if that helps, but that is the intent. How the wording goes is beyond me.

MR. SPEAKER:

The hon. the leader of the Opposition.

MR. WELLS:

Another question arising out of disposition: Has the minister given any thought to what might be necessary to regulate what is commonly referred to as an aftermarket that may be created? If this thing takes off and does well and these shares start to market widely in the Province, you are going to end up with an aftermarket in this, but I am thinking more in terms of protecting the public interest in investments rather than additional credit? You only get credit the first time around; you only get the initial issue. I am thinking more in terms of protecting the public interest and ensuring that there is proper trading in these shares, because we do not have a stock market here.

MR. SPEAKER:

The hon. the Minister of Finance.

MR. WINDSOR:

I am not entirely sure of what the hon. gentleman is getting at. Let me say that a person can sell shares to another individual.

After two years there is no difficulty, but there is no credit, obviously, to that individual who buys those shares a second time around.

If an investor sells the shares to an individual and is replacing them with new shares, then the credit is given for the new shares, obviously, because these are new shares issued. There is nothing there that deals with after the two year period. I mean, this program is simply one that provides tax credits provided that the shares are held for two years. After two years, then it is a free market and the individual can do whatever he or she wishes to do with them.

MR. CHAIRMAN:

The hon. the Leader of the Opposition.

MR. WELLS:

I recognize that and maybe I did not make the point clear. What the minister said is absolutely correct and I understand it to be that way, but my concern is if this does work in the manner in which the Minister hopes and it stimulates a lot of activity along those lines, we do not have a stock market in this Province which regulates the trading and what are you going to do, or what thought have you given to what maybe necessary to protect the interest of future investors not investing in this scheme but just ordinary investors investing in the shares and stocks that may be created as an aftermarket that may arise out of this kind of investment? Have you given any thought to what the government may have to do in order to protect the interest of future investors who are not investing under this scheme?

MR. CHAIRMAN:

The hon. the Minister of Finance.

Mr. Chairman, again I think the hon. gentleman answered his question earlier when he said that this is not consumer legislation, dealing with the selling and the trading of shares. Obviously, that legislation is still in place and would deal with that. No, we do not have a stock market. Maybe, if we are that fortunate, I hope that is a problem. Because if that becomes a problem, it means that we have had great success. He is quite right, we will have to deal with that situation in the future. But this legislation does not provide any mechanism for dealing with that at this time. Does that answer your question? I do not know if it does.

MR. CHAIRMAN:

The hon. the leader of the Opposition.

MR. WELLS:

Yes. No arrangement has been made, but I am concerned that people not be adversely affected and that we be ahead of it and have protection in place, rather than wait until people are burned and then come in after the fact, which is my primary concern.

With respect to clause 9 I have a particular question. "Where the Minister refuses to issue a certificate of eligibility to an applicant, the Minister shall notify the applicant of the refusal, together with the written reasons for it." That is fine. The problem is with clause 2: "If the Minister has not issued a certificate of eligibility to an applicant within ninety days after the date on which the applicant delivered an application for a

certificate of eligibility..., the Minister is deemed to have refused the certificate."

Now, strictly speaking, as a matter of law, if the minister is deemed to have refused, the minister should have the same obligation to issue the reasons for it as he would if he had written the notification in the first place. Because it is a deeming provision, the minister is deemed to have made a written provision, but as no written refusal is made, it operates as a matter of law. I think we ought to consider adding to that a requirement that the minister is deemed to have refused a certificate and shall within so many days deliver written reasons so as to make it clear. Because, as it stands now, while you could make a nice legal argument before a court that the minister is so obligated, it is not abundantly clear.

So there should be added to sub-clause 2 the phrase, "And shall deliver the reasons referred to in sub-section 1 within a specified time," ten days or fifteen days or something of that order.

MR. CHAIRMAN:

The hon. the Minister of Finance.

MR. WINDSOR:

Actually, Mr. Chairman, that question was raised by the hon. member for Gander when he spoke a couple of days ago. It is a valid point. Obviously, the clause as it reads simply means that refusal is deemed to have been given after ninety days if a response is not given. It does not provide for a written response.

I will take that under

advisement. We can do an amendment next year. I do not know if we can do it now. It is a valid point. I do not know if there is good reason for it, but I will take it under advisement.

MR. WELLS:

I do not mind. On the basis of the minister's undertaking to consider it, we can revert back at some stage in Committee and add that to it, if you want to.

MR. WINDSOR:

Sure. That is great.

MR. WELLS:

The minister is going to take the matter under advisement and we are revert to this bill some day in the future and just add that phrase.

MR. WINDSOR:

(Inaudible)?

MR. WELLS:

Well, instead of waiting for a year to bring in another amendment. Because this is going into operation, just revert to it during Committee stage in the House and add that phrase.

MR. SIMMS:

Do you want to add the phrase? That is the question.

MR. WELLS:

He wants to think about it first, and that is appropriate.

MR. SIMMS:

He will check it out. But if he does not want to do it, then we will not revert back.

MR. WELLS:

I understand.

MR. SIMMS:

Go ahead, Mr. Chairman.

On motion, amendment carried.

On motion, clause 30 as amended, carried.

On motion, clauses 31 and 32, carried.

A bill, "An Act Respecting Stock Savings Plan Tax Credits." (Bill No. 34).

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

MR. CHAIRMAN:

Bill No. 35. "An Act Respecting Venture Capital Tax Credits."

Resolution

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

On motion, clauses 1 through 10, carried.

MR. CHAIRMAN:

Shall clause 11 carry?

MR. WINDSOR:

Mr. Chairman, there is a slight amendment to Subclause 1 of Clause 11. It is to be repealed and the following substituted: 'A venture capital corporation shall have at least ten persons who (a) hold equity shares in the venture capital corporation, and (b) are dealing at arm's length one from the other.'

On motion, amendment carried.

On motion, clause 11 as amended, carried.

On motion, clauses 12 through 34

carried.

MR. CHAIRMAN:

Shall Clause 35 carry?

MR. WINDSOR:

There is a minor amendment by adding immediately after Paragraph A the following: 'Prescribing forms for the purposes of this Act.' It is simply that the Act neglected to give authority to provide the prescribed forms.

On motion, amendment carried.

On motion, clause 35 as amended, carried.

On motion, remaining clauses carried.

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

MR. SIMMS:

Mr. Chairman, before I move the Committee rise and report and do the bills that have to be done, I wonder if the member opposite might consider - I am sure they will co-operate with the government. It was our intent, as hon. members are aware, to at least have the opportunity to introduce The City of Mount Pearl Act, if not get through it, and give a couple of members the opportunity to speak to it. Would members opposite consider foregoing the Late Show for this evening? At least we will have half an hour. And if it looks like we might finish it, we can stop the clock for a few minutes to finish it off, especially since the mayor and members of the Mount Pearl Council are in attendance and have been here expecting and anticipating we might be able to get to this matter. I wonder would the member for Fogo agree?

MR. TULK:

Mr. Chairman, it is time for the Late Show, which would leave two minutes to introduce this bill and that is hardly significant. We understand the importance to the people of Mount Pearl of becoming the third city in Newfoundland. We are anxious to see this bill put, and I am sure they are anxious to see its introduction into the Legislature. For them at least, and for all of us probably in Newfoundland, it is an historic occasion. We have no problem with giving up the Late Show for the introduction of that bill.

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

MR. SPEAKER:

Order, please!

MR. PARSONS:

Mr. Speaker.

MR. SPEAKER:

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

MR. PARSONS:

Mr. Speaker, the Committee of the Whole has considered the matters to it referred and has directed me to report that it has adopted certain resolutions and recommends that bills be introduced to give effect to the same.

On motion, report received and adopted, resolutions ordered read a first and second time, amendments ordered read a first and second time, bills ordered read a first, second and third time, Committee ordered to sit again on tomorrow.

On motion, resolutions read a first and second time.

On motion, amendments read a first and second time.

On motion, a bill, "An Act Respecting Stock Savings Plan Tax Credits," read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 34)

On motion, a bill, "An Act Respecting Venture Capital Tax Credits," read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 35)

MR. SIMMS:

Mr. Speaker, you were outside when we reached an agreement with members opposite. We are going to forego the Late Show, by agreement, in honour of the attendance in the galleries of members of the council from the Town of Mount Pearl, soon to be the City of Mount Pearl. We have agreed to proceed with Order No. 47, second reading of a bill, "An Act To Incorporate The City Of Mount Pearl," Bill No. 55, by the Minister of Municipal Affairs.

Motion, second reading of a bill, "An Act To Incorporate The City Of Mount Pearl Act." (Bill No. 55).

MR. SPEAKER:

The hon. the Minister of Municipal Affairs.

MR. BRETT:

First of all, Mr. Speaker, I would like to thank the Opposition for allowing us to go ahead with this bill rather than proceed with the Late Show.

Secondly, I want to welcome to the gallery the Mayor and councillors from what is about to be our third city.

SOME HON. MEMBERS:

Hear, hear!

MR. BRETT:

It is a very historic day for us, Mr. Speaker, and I am very pleased to have the opportunity to be able to pilot this bill through this sitting. When we are finished, we will have our third city.

I have only been in the department a very short time, but it has been a pleasure to work with the council of Mount Pearl. They are a very dedicated group of people, very hard working, and very cooperative. They are not without their problems, but we have always been able to solve any problems which have come up among ourselves, their are very hard working member, and the staff and the department. Any problems usually do not hit the airwaves. That makes it a little bit easier for all of us.

Back in 1987, last year actually, we received a request from the Town Council of Mount Pearl that they would be granted city status. After we got the request, Mr. Speaker, we realized the Province did not in fact have any guidelines or anything else with respect to the establishment of cities in the Province or to deal with applications for areas which would like to have city status.

So our next step was to contact our sister provinces across Canada and, based on the information we got from these provinces, we drew up our own guidelines. I think it is important that the House know what the guidelines are with respect to city status.

There are only five and I will just read the gist of them. First of all, an area or town must have

a population of at least 20,000 people; and number two: there has to be evidence of progressive and economic territorial growth; and three: there has to be a good record of financial responsibility in totally meeting repayment of debt charges on municipal infrastructure and maintaining a debt service ratio of less than 30 percent; and four: there must be a commitment to organize development by way of an approved municipal plan and also adherence to the plan; and numbers five: there has to be extensive municipal infrastructure and a comprehensive range of servicing for the vast majority of residents.

So, if there are any groups in the Province, any towns or group of towns which in the future would be looking for city status, they would have to comply with these guidelines.

We choose The City of Corner Brook Act as the basic guidelines for The City of Mount Pearl Act. The Bill is patterned after that Bill, and there are some minor changes, no major changes, to comply with changes in The Municipalities Act over the years and also some changes that were requested by the Town of Mount Pearl, or the City of Mount Pearl.

I would like to outline these, and I guess, Mr. Speaker, that would be the end of what I want to say. I realize the member for the district and at least one or two members from the Opposition would like to speak on this.

We made changes in Section 2 (i), the definition of "real property", and that has been adjusted to correspond with amendments to The Municipalities Act and that definition will now include

equipment.

There are some changes in Sections 22 (1) (c) and 22 (2) in which we define a relative for the purpose of conflict of interest, and that again was in keeping with a 1987 amendment to The Municipalities Act.

Section 28 of The City of Corner Brook Act presently provides that the Deputy Mayor be elected annually. The Town of Mount Pearl have requested a change there. They have requested that the Deputy Mayor, once elected, could remain as the Deputy Mayor for the full four year term, and that, of course, is also consistent with The Municipalities Act.

Section 31, there are some changes. Apparently in Corner Brook their Act anyway requires twenty-four hour notice of a meeting of council. I understand that in the case of Mount Pearl, their meetings are scheduled and their Act will reflect that.

Section 57 has been updated to conform with a 1987 amendment to The Municipalities Act, and it is to prohibit the use of commercial equipment for private work, and the amendment to that Act removes the limitations on private contractors licenced under The Public Utilities Act and applies it to all private contractors.

Section 63, has been changed. It has been amended to provide that the City Manager may only attend council meetings at the discretion of council. And, again this is consistent with The Municipalities Act and the procedures of Mount Pearl.

Section 101 (3) has been changed, the definition of a bank. Most of

these are very, very simple housekeeping things. The definition of a bank has been expanded to include a credit union.

Section 119 has been changed so the short-term borrowing powers of the council have been expanded in keeping with the 1987 amendment to The Municipalities Act. Basically what that is all about is normally we would only permit a council to borrow once a year, providing that they pay that off in that year. This has been amended to allow councils to borrow any number of times a year as long as it again is paid back in that given year and the pay back does not amount to more than 20 per cent of their fixed revenues.

Section 131, has been amended to allow taxes to be paid at such other times as may be determined by the council, in addition, to monthly intervals. Apparently, The City of Corner Brook Act provides for payments that monthly or bi-monthly intervals and the Town of Mount Pearl requested greater flexibility in that respect.

Section 134 (2), it has been amended to enable the council to charge interest from the beginning of the financial year, unless otherwise provided by the council. Again, this change was made at the request of the Town of Mount Pearl. I guess the reason for it is you could have some lawyer with a client who would indicate that if this were not in the Act, then the council had no business to charge interest. So it allows the council to charge interest.

I believe Mount Pearl, in particular, charges interest when

the bill goes out. But if the bill is paid prior to thirty days or whatever, then the interest is cancelled.

Section 156 (2) (a) is changed in keeping with an amendment to The Municipalities Act. That again is very simple. It provides that water and sewer tax is not mandatory where there is a building on the property not normally requiring water and sewer service, a barn, a shed, or something of that nature which would not require water and sewer, then the council would not be allowed to tax them along these lines.

Section 161 (2) has been added because of a legal opinion which questions the right of a council to collect interest on tax arrears without specific statutory authority. This section gives Mount Pearl statutory authority to collect interest on tax arrears. I understand St. John's has the same right.

Section 187, has been added in keeping with a 1987 amendment to The Municipalities Act which requires that before entering upon private property for the purpose of installing water and sewer and other public works, the council must give reasonable notice to the owner of the property. It is pretty simple and straightforward.

Section 211 (1) and (2) are amended in keeping with The Municipalities Act and provides that the council may only charge a fee for garbage collection on the owner or a tenant of a real property. That is, if you have two or three families in the one house, you cannot charge two or three garbage fees.

Section 320 has been re-worded to remove any possible conflict to Section 19 (6) and to delete at the request of the Town of Mount Pearl requirement for ministerial approval for the deferral of a by-election. I think if they are mature enough to be a city, then they should be mature enough to decide whether or not they want to defer a by-election without having the approval of the minister.

And Section 327 is consistent with an 1987 amendment to The Municipalities Act which enables the poll clerk to assume the duties of returning officer or deputy returning officer when they are unable to act on nomination day. That is fairly simple.

There is a new provision in the act, and I know there is some questions on this. Cabinet has directed that amendments be prepared to The City Of St. John's Act, The Corner Brook Act and The Municipalities Act to provide for the establishment of business improvement areas.

I guess all the city MHAs are concerned about that. The bill will allow for this particular act. We will have to amend The City Of St. John's Act and The City Of Mount Pearl Act in order to accommodate these two cities, and that will be done. I know hon. members are wondering if we are going to be able to do it in this sitting. It is our intention, if at all possible.

So, Mr. Chairman, I think that pretty well sums it up. As I said, most of these amendments are housekeeping, in line with changes made to The Municipalities Act or as requested by The City of Mount Pearl Act. I expect to hear from other members.

SOME HON. MEMBERS:
Hear, hear!

MR. LUSH:
Mr. Speaker.

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

MR. LUSH:
Mr. Speaker, I have no intention, at this particular point in time, of getting into the details of the legislation, clause by clause. We will wait for another time to do that. I do have questions I want to raise. Nothing, I can assure the councillors from Mount Pearl, that is going to prevent this legislation from going through, nothing that is going to prevent the Town of Mount Pearl from achieving the status of a city.

Mr. Speaker, we welcome the legislation. It is a proud day for Mount Pearl. Indeed, it is a proud day for Newfoundland.

SOME HON. MEMBERS:
Hear, hear!

MR. LUSH:
Because to meet the requirements of becoming a city is indicative of success, and indicative of progress. If there is one town that demonstrates success and progress in this Province, it has certainly been the Town of Mount Pearl.

We certainly want to commend its citizens and commend its council, and past councils, for the kind of initiative they have demonstrated, the kind of industry they have shown in the organization and in the building and in the development of that town, a rather unique town, a town that is about to become a city, but an area, Mr.

Speaker, which has maintained its distinctiveness, its uniqueness, and a town that when you get into it, somehow you know you are out of St. John's and you are into Mount Pearl. We hope it stays that way, even though it will achieve the status of a city. We hope that they will not lose that distinctiveness and that uniqueness that makes it Mount Pearl.

The growth over the last twenty years has been absolutely phenomenal. I remember having lived in Mount Pearl in the late 1960s and early 1970s, having rented on Ruth Avenue, on Third Street, and both these streets formed the extremities of the town, the Northern extremity. I hope I am right. I was never good at directions, Mr. Speaker, compass directions that is, although I warn hon. members that I do have my private pilot's license. So when they see me in a plane, they can steer away from me.

But, Mr. Speaker, I believe Ruth Avenue represented the extreme boundary West, and then Third Street in the other area, which must have been the other direction. But, Mr. Speaker, these two roads were almost the extremities in that area of development.

To go there now, there is another town that expands way beyond these streets and it is absolutely fantastic. Even though I lived there for a period of time, I get lost now. I am able to find Ruth Avenue, but I do not know where I am once I get past it, and the same with Third Street.

So, Mr. Speaker, the expansion, the growth and the development has

been phenomenal, and the residents and the town administrators deserve our congratulations and commendation. Mr. Speaker, we wish it success in the future.

As I have said, there are certain other areas in the legislation I would want to comment upon, but I know that the member for Mount Pearl would like to speak, and I do not want to take up his time. I would like for him to do that. The matters of legislation I will deal particularly with relate to pornography and the fire department. These are some of these things I want to get into, particularly with the fire department, to ask the minister just how this is going to operate, particularly in view of the recommendation by the Fagan Commission, just some general questions we have to ask in that area. Maybe the legislation solves the matters addressed here but we do want to speak about these in the committee.

Mr. Speaker, that is all I have to say. We on this side will support the legislation and commend the people of Mount Pearl, commend the administrators of the town and wish them well in the future, wish them success and urge this government to give them the kinds of capital funding and the kind of financing they are going to need to truly make their city a successful city.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, first of all I want to thank hon. gentlemen opposite for their co-operation in deferring the Late Show. In my thirteen years, I think, it is the first time the Late Show has been deferred for a purpose such as this. I want to assure them I am indeed grateful for that and I know my friends from the town of Mount Pearl are extremely grateful as well. They are here, at my invitation, obviously, because the intent was to introduce this legislation today.

I also, Mr. Speaker, want to welcome the Mayor, Mayor Harvey Hodder, Councillor Derm Connolly, Councillor Gloria Pearson, Town Manager Brian McArthur, and Town Clerk Ed Snow, to the galleries. These people, together with the other councillors and Deputy Mayor, who are not here, form what I consider to be the finest council and the finest administration anywhere in this Province. I say that with no hesitation whatsoever.

I also want to say, Mr. Speaker, and I want this to be on the record, that it is because of the kind of co-operation that I, and government as a whole, has had from the town of Mount Pearl that we have had the measure of success that we have enjoyed over the past number of years.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

I think it is fair to say, Mr. Speaker, that without that kind of co-operation, and working together in unity, the town would not have progressed as well as it has and these people are very much to credit for that.

Mr. Speaker, the town of Mount Pearl, as the hon. member for Bonavista North has pointed out, has changed tremendously. I went to Mount Pearl as town engineer on 2 July, 1972, so it will be fifteen years ago, the day after Mount Pearl becomes a city, on 1 July. I remember it well. I remember there were basically four streets that had curb and gutter and sidewalks, Smallwood Drive, the Centennial Street area, Third Street, Fourth Street, and a couple of small cul-de-sacs relating to those areas. Those were all the streets that had curb and gutter and sidewalks. I think there are probably three, four or five today which do not have curb and gutter and sidewalks in the town of Mount Pearl.

I have a figure here; Mr. Speaker, I would like to use. The amount of money that has gone into roads is \$7.5 million, Mr. Speaker, \$7.5 million that has gone into roads, upgrading the roads and the storm sewer systems in the town over the years. In addition to that, of course, the Province has completed Commonwealth Avenue and brought it up to full municipal standards at a cost of some \$4.5 million. That has now been turned over to the town, as has Topsail Road at a cost of around \$3.5 million. That was totally upgraded. Of course, a lot of that was done prior to the town expanding its boundaries.

I want to address a couple of popular misconceptions. I have talked about all the money that went into roads and I can talk about all the money that has gone into various recreational facilities, and other facilities. I have a list here of over \$10 million worth of facilities that have been built over the past number of years. I will probably

talk about a couple of them, if I get a moment.

But there are two popular misconceptions I would like to deal with. I think this is the appropriate time to deal with it and I would like to get them out of the way once and for all.

First of all, Mount Pearl received a gold mine when it received Donovan's Industrial Park. Mr. Speaker, nothing can be further from the truth. In 1970 there was a report done by Murray Jones and Associates of Toronto on behalf of the Town of Mount Pearl and the Government of Newfoundland and Labrador at the time, who were initiating the whole Mount Pearl - Newtown concept, a satellite city, it was called, and the former, former Premier, in fact, initiated it. He wanted to put it on top of the hill where we could not get any water, but the planners, of course, had more sense than that and finally convinced him that it should go in the location it now is in.

At that time the development scheme plan was done, and that development scheme plan, Mr. Speaker, is used to this very day. That is why Mount Pearl is so well planned. If you look at the area of Mount Pearl, you will see it is properly planned. There is a hierarchy of roads, arterial collector roads and residential streets. The arterial collectors have no residential development such as the extension of Ruth Avenue and Smallwood Drive Extension and the Ruby Line and the Old Brookfield Road and those areas. These are arterial collectors that have no residential or commercial development whatsoever, they are restricted access roads. It

provides a very efficient road network system, together with the various neighbourhoods then that are a cluster. If I had a map of the area here, you would see how important that is.

These are all interconnected by a series of walkways, forty kilometers of paved pedestrian walkways at the rear of the building lots. There is no other area in this Province that has them. It is a tremendous benefit for young people particularly, Mr. Speaker, who can leave their homes and basically can walk to any school or any local shopping centre or any of the recreational facilities without going on a major street, without going on any street in most cases. It is a tremendous concept and it is unique in many cases, in all of Canada, and it certainly is as state-of-the-art as any residential, commercial development anywhere in Canada.

The point I want to make is that in 1970 the whole development scheme plan provided a proper development concept with a correct mix of residential, commercial, industrial and institutional properties, the proper balance, by all accepted engineering and town planning standards. The Town of Mount Pearl, in its plan in 1958, indeed, had an industrial park planned. In the area where I lived, in fact, after I moved into Mount Pearl and built a home in 1973, in the area of Donovan Street and the area to the West of that. It was always planned as Mount Pearl's Industrial Park.

But it was decided and recommended by the planners, and correctly so, that that should be given up in favour of the larger Donovan's Industrial Park, as it became

known. The Town of Mount Pearl at the time agreed with that because it made sense to have the larger industrial park with rail and Trans-Canada Highway access and so forth.

One error made at that time was the town boundaries were not expanded prior to those amendments taking place. So even though you were planning a much larger, totally integrated, properly planned community, you left the Town of Mount Pearl as the small area it was, prior to that change taking place.

Of course, development took place under Metro Board and there were several thousand people in what was known as the Newtown area before the debate became about as to whether or not Newtown, as it became known, should become part of Mount Pearl.

I think one of the mistakes that have been made in municipal administration in this region over the past number of years that Metro Board, which was originally planned and designed to deal with the rural developments on the periphery of the City of St. John's and other municipalities, that they should have been allowed to get into that kind of urban development such as the nature of Newtown, and such as East Meadows, which is now in the City of St. John's, and areas of that nature. That kind of a metropolitan area board should have controlled peripheral and rural development and should never have been allowed to get into that kind of urbanized, full serviced residential and commercial development.

At any rate, Mr. Speaker, in the end analysis, after two

plebiscites, as I recall, the Newtown area did become part of Mount Pearl by a resolution, and, of course, Donovan's Industrial Park was included as well. I want to dispel the myth that that was a great gift taken away from Metro Board and given to Mount Pearl; it was always planned, always intended to be part of this larger community with an eventual population of 35,000 to 50,000 people.

There are some other myths, Mr. Speaker, that Mount Pearl wants to take over Kilbride and Paradise and half of the Avalon Peninsula. I can assure you, and I know the mayor and councillors in the gallery will assure you, that that certainly is not true. Our dream for Mount Pearl is to simply develop the plan that was established in 1970 with some amendments. There will be some development eventually to the West of the Harbour Arterial Road and the area known as the South Lands, most of which will be recreational development; there will be some commercial and residential development there as well.

We are looking forward, over the next number of months, to a major regional shopping center in the Pearl Gate area. Discussions are ongoing now with a major developer from Central Canada, who is very interested in developing that. I would hope, in fact, to have a proposal within the next week or ten days dealing with that kind of major development.

The other misconception I want to deal with, Mr. Speaker, is that over the years Mount Pearl has prospered because it has received an inordinate amount of funding from the provincial government. I want to assure this House that

that is not true, that every amount of funding that was provided by government to Mount Pearl is funding they were particularly entitled to, and they have been treated no differently, in any case, than any other municipality in the Province. Absolutely not!

Perhaps the most important thing, Mr. Speaker, that was done was The Municipal Grants Act which I had the honour of introducing in this House in 1978, as Minister of Municipal Affairs, which treats all municipalities equally. Prior to that, Mr. Speaker, the Town of Mount Pearl received one subsidy only, \$49,000 on the original \$1 million water and sewer system. That was the only special subsidy the town ever received.

Could we stop the clock for two minutes?

MR. SPEAKER:

Is it agreed to stop the clock?

MR. SIMMS:

Go on, boy.

MR. SPEAKER:

Agreed.

MR. WINDSOR:

Mr. Speaker, I will conclude, unless hon. gentlemen want me to go on for another few hours. I would gladly do it, but I am sure they would not want that. I will conclude, but I just want to finish that point, that The Municipal Grant Act did provide that the Town of Mount Pearl and all municipalities would be treated equally, that there is now a formula in place which provides that tax effort, particularly, in a local community is recognized.

The true success of Mount Pearl,

Mr. Speaker, is that it is a young, active, dynamic community, and that the people of Mount Pearl are indeed paying their own way. We have almost 100 per cent tax collection effort on an annual basis. The Town of Mount Pearl is well financed by its young, vibrant community. Admittedly there is a low incidence of social assistance and unemployment. We are quite proud of that. It is a young community with primarily two people in a family working. Income levels are good. Participation rate is particularly high. If there is anything in the character of Mount Pearl that must stand out to all other communities in this Province, it is the level of involvement of young people in so many community activities.

I could not sit down, Mr. Speaker, without making reference to the Summer Games this Summer, which will highlight that kind of community spirit. On behalf of the Committee - I will be doing this in writing, but I would like to do it here in the House - I invite all hon. members of this House to participate in those games. You and your spouses will be invited to the opening ceremonies and the closing ceremonies, and if there is anything we can do to have your visit our community, participate in the provincial games in the City of Mount Pearl - I am going to have trouble getting used to that, but it is a problem that I gladly welcome, Mr. Speaker. I invite all hon. members and you, Mr. Speaker, to come to Mount Pearl in August and participate in the Newfoundland Summer Games. Thank you very much.

MR. SPEAKER:

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

MR. SIMMS:

Adjourn the debate.

MR. LONG:

I have been recognized by the Speaker. I would like to say hello to the councillors while they are still here and then I will adjourn the debate.

MR. SIMMS:

Either the hon. member wants to adjourn the debate or he does not.

MR. LONG:

Sure. With all good wishes to the folks who have come to the gallery, I would be glad to adjourn the debate and pick it up the next day. Thank you.

MR. SIMMS:

I would be quite happy to pass along your best wishes to my good friends, the Mayor and Councillors of Mount Pearl.

MR. SPEAKER:

The debate has been adjourned by the hon. the member for St. John's East.

The hon. the President of the Council.

MR. SIMMS:

Mr. Speaker, I think we stopped at just about the right time, because it almost seemed to me that the member for Mount Pearl was going to come to Cabinet next week looking for a special warrant or something for the City of Mount Pearl.

MR. BAIRD:

Now that they are a city, they might get a hockey team.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

Mr. Speaker, I thank hon. members for their co-operation. The member for Humber West says, Yes, if they are going to be a city, at least they might bring over a half decent hockey team to beat the Corner Royals. The member for Mount Pearl will come out of retirement and do well, no doubt.

Mr. Speaker, tomorrow, for the interest of members, we will be spending most of our day if not all of our day, after Question Period and so on of course, in Committee of the Whole, going through legislation. That is tomorrow. I will tell you tomorrow what we are going to do on Monday.

Mr. Speaker, I move that this House adjourn until tomorrow, Friday, at 10:00 a.m. and that this House do now adjourn.

On motion, the House at its rising adjourned until tomorrow, Friday, June 17, 1988, at 10:00 a.m.

Index

Answers to Questions

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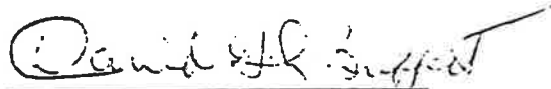
June 16, 1988

CONSENT

TO: ERCO, A Division of Tenneco Canada Inc.

I hereby consent to you releasing to the Honourable Ted Blanchard, Minister of Labour, any and all information concerning my acting for ERCO.

Dated this 10th. day of May, A.D. 1988.



David G. L. Buffett

/mn

Tabled by Hon. Minister
of Labour 16 June '88



WORKERS' COMPENSATION APPEAL TRIBUNAL

Province of Newfoundland

David G. L. Buffett, *Chairperson*
Lisa B. Clarke, *Vice-Chairperson*
A. Weldon Brake, *Executive Director*
Caroline Barker, *Member*
Gonzo Gillingham, *Member*
Judy Greenland, *Member*
Gerard McDonald, *Member*

5TH FLOOR, SUITE 'A'
EASTERN CANADA BUILDING
95 BONAVENTURE AVE.
ST. JOHN'S, NFLD.
A1B 2X5

TELEPHONE (709) 576-5542

May 10, 1988

Hon. T. A. Blanchard
Minister of Labour
Confederation Bldg.
P. O. Box 4750
St. John's, NF
A1C 5T7

Dear Mr. Minister:

I wish to answer allegations by Mr. Beaton Tulk, M.H.A., House of Assembly on May 9, 1988, that I am in conflict of interest.

This, I adamantly deny.

I have acted for ERCO in relation to one matter. This matter had been ongoing for some time prior to my appointment. It did not relate to a matter appealable to the Appeal Tribunal and did not involve my appearing after my appointment before the Workers' Compensation Commission or making submissions to them after my appointment. I had appeared before the Commission long before the formation of the Tribunal or my appointment. It did not involve a claim and was not a matter of contention between employers and employees.

As to the particular matter raised by Mr. Tulk, one regarding Mr. Tyrone Power, I have never acted for ERCO on the matter. As a matter of fact, I declined to act for ERCO on one matter, which one I do not know as before a discussion of the matter ensued, I advised them that I could not act and that they should seek legal advice other than from me or a member of my firm. Whether it is the same matter or not I am unable to say.

I can only assume that ERCO did seek alternate legal advice and I have been informed that Mr. James Oakley is counsel for ERCO as regards the Tyrone Power matter. As to how my name came to be

.../2

mentioned by a Mr. McCarthy of ERCO is unknown to me. The only suggestion that I have is that because I had acted for ERCO in the past, it was assumed that I would do so again.

I stand by my position that neither before nor since my appointment have I acted as solicitor or legal advisor to ERCO in relation to a matter that could conceivably come before the Workers' Compensation Appeal Tribunal.

Prior to my appointment, I have had occasion to represent and advise both workers and employers. I have acted for both management and labour in labour matters. Prior to my appointment I have had occasion to act as legal advisor to the Workers' Compensation Commission in relation to various matters. For the most part this was some years ago when I was associated with a different law firm (whose successor firm continues to act for the Commission), though in recent times, prior to my appointment I acted for the Commission in relation to a few long standing collection matters and regarding the Ocean Ranger Disaster.

My past association with the Commission, or in acting for workers or employers or management or union, does not I suggest disqualify me from serving as Tribunal Chairperson. If this were the case no Crown attorney could ever serve as judge, or for that matter any defense counsel.

Only a person devoid of business or social contact would be able to claim the necessary absence of relationships to satisfy such qualifications.

The legislation itself contemplates that because of social and business contacts, Tribunal personnel may be in conflict of interest from time to time. It contemplates that this difficulty may be overcome by the said person disqualifying himself or herself from serving on a Panel that is to hear that particular issue. It is the policy of the Tribunal, that members including the Chairperson and Vice-Chairperson are not to sit on matters where they have a conflict of interest.

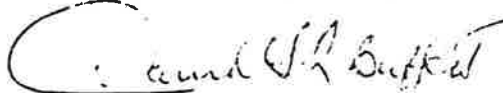
I believe that if you contacted the Safety Director at ERCO, Mr. Bill Hogan, he will have no hesitation in confirming what I have had to say and this letter is to be your good and sufficient authority for so doing.

I convey my sincere regrets that this matter, which is totally without substance, has arisen and that you are forced to deal with it.

I intend to do whatever I can to assist you in clearing up the matter and putting it to rest. I stand ready to meet with you at your convenience as regards the matter.

Should you wish to obtain any information from ERCO, I enclose an authorization form signed by myself, whereby I consent to ERCO disclosing the information you seek concerning this matter.

Very truly yours,

A handwritten signature in cursive script, which appears to read "David G. L. Buffett". The signature is enclosed within a hand-drawn oval.

David G. L. Buffett
Chairperson

/mn
Encl.

CONTENTS

THURSDAY, 16 JUNE, 1988.

Statements by Ministers

<u>New Operator for the St. Lawrence/Lawn Fish Plants:</u>	
Mr. Matthews, on behalf of Mr. Rideout.....	3091
Mr. W. Carter.....	3092
Mr. Fenwick.....	3092

<u>First Capital Market Borrowing Announced for 1988-89:</u>	
Mr. Windsor.....	3093
Mr. Wells.....	3094
Mr. Fenwick.....	3094

<u>Terra Nova E-79, Successful Delineation Well:</u>	
Mr. Simms, on behalf of Premier Peckford.....	3101
Mr. Wells.....	3102
Mr. Fenwick.....	3102

Oral Questions

<u>Newfoundland Railway:</u>	
Is government prepared to surrender Province's constitutional right to have Ottawa pay the cost of maintaining Newfoundland's portion of national transportation system for a 10-year highways agreement. Mr. Wells, Mr. Doyle.....	3095

Asks Minister to assure government's commitment that Ottawa will maintain Newfoundland portion of the national transportation system. Mr. Wells, Mr. Doyle.....	3096
---	------

Opportunity for full public debate before government commits the province. Mr. Wells, Mr. Doyle.....	3096
--	------

Mrs. Ting's Fishing Operations:

Cost to the Province to lease the plants.
Mr. W. Carter, Mr. Matthews.....3096

No dollar figure on the cost. Mr. W. Carter,
Mr. Matthews.....3097

Northeast Coast Storm Damage:

Asks the extent of damage and measures of
assistance. Mr. Lush, Mr. Simms.....3097

Fishermen disagree with the low damage
estimate and are dissatisfied with assessment
procedure as some communities not yet assessed.
Mr. Lush, Mr. Simms.....3098

Specific forms of government assistance.
Mr. Lush, Mr. Simms.....3098

Workers' Compensation Appeal Board:

Meaning of 'more recently' in the context of
the Chairman having collected employer
assessments. Could this be grounds for a
conflict of interest. Mr. Tulk, Mr. Blanchard.....3099

The Act gives Board exclusive jurisdiction on
appeals from action of the Commission. Would
the Chairman's having recently acted for the
Commission place him in conflict of interest.
Mr. Tulk, Mr. Blanchard.....3099

Asks that a Select Committee be struck to
look into the matter. Mr. Tulk, Mr. Blanchard.....3100

St. John's Arts and Culture Centre:

Report of labour dispute. Mr. Long, Mr. Butt.....3103

Has government rejected the offer to have the
existing contract put in receivership and,
when it expires, have a tender call. Mr. Long,
Mr. Butt.....3104

Will a decision be made soon. Mr. Long,
Mr. Butt.....3104

Social Services: Denied Assistance:

Ministerial Awareness of Arnold Riche affair
and action to correct it. Mr. Efford, Mr. Tobin.....3104

Is it Social Services policy to have police
arrest people with emergency needs.
Mr. Efford, Mr. Tobin.....3105

Policy on emergency aid. Mr. Efford, Mr. Tobin.....3106

Transfer of Courses to Community Colleges:

Was sufficient funding provided Community
Colleges assigned courses once provided by
the Cabot Institute. Mr. Gullage, Mr. Matthews.....3106

Contends course not transferred but cancelled
and students now have to access them at private
institutions at great cost. Mr. Gullage,
Mr. Matthews.....3107

Wants courses supported in the Community
Colleges and reinstated in the St. John's
Community College. Mr. Gullage, Mr. Matthews.....3107

Refrigeration for Insulin:

Social Services policy on providing
refrigeration units for storage of insulin
used by diabetics Mr. K. Aylward, Mr. Tobin.....3108

Claims policy is to provide a cooler
Mr. K. Aylward, Mr. Tobin.....3108

Cites case of a person hospitalized twice
June 1 because injections of insulin not
properly refrigerated. Mr. K. Aylward,
Mr. Tobin.....3108

PCBs Storage:

Does the Minister realize how serious PCBs
are. Mr. Decker, Mr. Russell.....3109

Can the Minister assure people of St. Anthony
of the safety of the site where PCBs were
found. Mr. Decker, Mr. Russell.....3109

Notices of Motion

<u>Amend The Financial Administration Act:</u>	
Mr. Windsor.....	3110

Answers to Questions for which Notice has been Given

<u>Fishery Promotion Material:</u>	
Mr. Barrett.....	3111

<u>Appointment of Hay System's Appeals Board Chairman:</u>	
Mr. Simms.....	3113

<u>Letter from Appeal Board's Chairman Tabled:</u>	
Mr. Blanchard.....	3114

Petitions

<u>Requesting Electoral Boundary Change, Carbonear District:</u>	
Mr. Peach.....	3115
Mr. Efford.....	3117
Mr. Reid.....	3118

Orders of the Day

<u>First Reading:</u>	
Bills Nos. 59 and 58, carried.....	3118

<u>Third Readings:</u>	
Bills Nos. 1, 16, 3, 37, 5, 13, 7, and 8, carried.....	3118

Committee of the Whole

Debate begins.....3119
Debate adjourns.....3139

Mr. Chairman (Parsons) Reports:

Bills Nos. 34 and 35, passed with amendment.....3139

Second Reading:

Bill No. 55:

Mr. Brett, Moves Second Reading.....3140
Mr. Lush.....3143
Mr. Windsor.....3144
Mr. Long, adjourns debate.....3149
Adjournment Motion.....3149