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Speaker: Honourable P.J. McNicholas

Thursday

23 June 1988

The House met at 2:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

Statements by Ministers

MR. DOYLE:
Mr. Speaker,

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

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
Mr. Speaker, hon. members over the last couple of weeks have been asking the value of certain contracts on projects we have already announced over the last few weeks and the name of the contractors, so:

I am pleased to announce to the Honourable House of Assembly today, a list of six projects valued at \$5,784,477.33 for which contracts have been awarded by my department under the \$40 million capital roads program. Projects awarded are as follows:

Awarded to Penny Construction Limited for paving Route No. 73, New Harbour towards Tilton, approximately 4 kilometres. Total value of the project is \$404,839 and the scheduled completion date is September 30, 1988.

Awarded to Shannon Construction Limited for paving 5.6 kilometres of Route No. 331 from Horwood intersection towards Route No. 340, paving 3.5 kilometres of Route No. 335, upgrading and paving the intersection of Route No. 331 and Route No. 340, paving

5.2 kilometres of Route No. 344 and miscellaneous recapping of Route No. 340 and 343. Total value of the project is \$1,542,759.20 and the scheduled completion date is September 30, 1988.

Awarded to Concord Paving Limited for upgrading and paving of approximately 3 kilometres of Indian Meal Line, 1.3 kilometres of roads in Logy Bay and Outer Cover area, 3 kilometres of roads in Pouch Cove and Shoe Cove area and paving 0.65 kilometres in Torbay and the total value of the project is \$694,360 and the scheduled completion date on that one is September 30, 1988, as well.

Awarded to Lundrigans Limited for upgrading and paving of 5.4 kilometres of Route No. 391, Harry's Harbour Road and recapping 1.6 kilometres of Route No. 391 to King's Point, on Route 391-10 to Rattling Brook. The total value of the project is \$560,337.60 and the scheduled completion date is the end of September.

Awarded to Penny Paving for paving approximately 11.5 kilometres of Route No. 352 Cottrell's Cove Road and approximately 13.0 kilometres of Route No. 350 Leading Tickles Road and reconstruction and paving of approximately 1.8 kilometres of Route No. 350 and Commonwealth Drive in Botwood, and total value of the project is \$1,715,453. The scheduled completion date is the end of September as well.

Awarded to Penney Construction Limited for paving three sections of Route No. 60 Upper Gullies to Kelligrews, 3.5 kilometers through Holyrood South, 1 kilometer Harbour Main to Conception Harbour, and 5.4 kilometers, an Avondale access road from the

Trans-Canada Highway, and 1.5 kilometers and Avondale access road from intersection with Route No. 60, 1.6 kilometers. The total value of the project \$865,726. The scheduled completion is July 31, 1988.

Mr. Speaker, the above projects represent approximately 14 per cent of the \$40 million program and over the coming days and weeks I will be announcing the awarding of the contracts for the remainder of the program.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fortune - Hermitage.

MR. SIMMONS:

Mr. Speaker, on behalf of the Official Opposition we welcome the announcement, or any announcement, which talks about improving roads in this Province.

However, some roads are very noticeable by their absence and I want to refer to one road in particular. It may mean much of serious consequences to certain members on the opposite side but this is an important issue. It affects the Hermitage - Seal Cove road. The minister will be aware that he met with two delegations from those communities, one from Seal Cove and a separate delegation from Hermitage - Gaultois. As he will be aware also, these delegations are back together as one delegation today and, I believe, all of them are in the gallery at the moment.

MR. LOBIN:

Did you tell them you were against paving the road to Coombs Cove?

MR. SIMMONS:

I told the delegation this morning I am very much in favour of paving the road to Coombs Cove.

SOME HON. MEMBERS:

Oh, oh!

MR. SIMMONS:

They are not here to trade-off one group against another. They are here today, Mr. Speaker, because they have a need.

MR. PEACH:

Why do you not tell the truth?

SOME HON. MEMBERS:

Oh, oh!

MR. SIMMONS:

I know the gentleman is still hurting on Port aux Basques for what he goofed up on there, but that is another issue. They did ask me, Mr. Speaker, about the Red Harbour situation. I will talk to him about that later. That is another one, altogether, he should answer for.

Mr. Speaker, I want to talk to the Minister of Transportation (Mr. Doyle) through you, Sir. The minister will be aware those two delegations came. They have come back again today. They have spent most of the morning in the office. I appreciate, and they appreciate, the fact that he was in cabinet, but a request has been put to him and we hope the minister will find the time, following Question Period today, to take a few moments with those people to put to him their very deep concern, their frustration, over the failure of the minister to follow through on a commitment he made to them, that if there was a new secondary roads agreement or an addition to one, they could expect to be part of it.

They remember that. They remember it very distinctly. But this is not the place to deal with it in any detail. So I would ask the minister to take it under advisement with a view to meeting that group people who came last night, after seven or eight hours driving, to St. John's for the express purpose of seeing him.

They intend to see him, by the way, before they leave here, supposing it takes a day or a week.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker.

MR. LONG:

Hear, hear! Welcome back!

MR. FENWICK:

I would like to thank my caucus for welcoming me back as well.

Mr. Speaker, I am pleased to see nothing has changed in the week or so I have been gone, that we are still involved in the same kind of - what should I call it? - partisan approach to the spending of public money.

Mr. Speaker, I recall back in the late 1940s in the first federal election held here, when Billy Brown, I believe, was running in St. John's West or whatever the equivalent of the district or the riding was at the time. At the time Joey Smallwood was opposing him.

He told the people in a public meeting, 'I am sitting on the patronage barrel. I am the guy who controls it. If you vote for Billy Brown, you are not going to get anything.'

Well, Mr. Speaker, nothing has really changed. We are seeing the same kind of thing. I saw it back in 1983 when I ran in Terra Nova, when the provincial government said, 'We can pave your roads to Bunyan's Cove and so on, therefore you should vote for us.' I think the member for Fogo was there as well and saw the same thing. It was very effective and, as a result, the P.C. nominee won that time.

It was also used in Windsor - Buchans, I would venture to say. People were told that if they elected the P.C. candidate, they would be able to get some roads built and so on. It was not as effective, although I suggest it did cut into the Leader of the official Opposition's majority.

Mr. Speaker, the only comment I have to make on it is, this is the peoples' money that we raise by taxes either here or federally. We have an obligation to send it where it is most needed. To say that it is a good member for getting more money for his district or it is a poor member because none is put in his district is the same kind of nonsense we have been seeing since Confederation.

Some day I hope we will outgrow it. The day we do outgrow it, maybe we will run this Province in a proper, fair, and reasonable manner.

MR. LONG:

Hear, hear!

MR. MATTHEWS:
Mr. Speaker.

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

MR. MATTHEWS:
Thank you, Mr. Speaker.

I am very pleased today to announce the approval of 107 additional projects under The Private Sector Employment Program.

SOME HON. MEMBERS:
Hear, hear!

MR. MATTHEWS:
These 107 projects involve a provincial contribution of \$308,933, employing 118 employees and a total of \$69,555 employing sixty-eight students.

To date, Mr. Speaker, the total funds allocated under The Private Sector Employment Program amount to approximately \$6.02 million. As a result of this funding, 2,323 jobs have been created, 723 of which are student positions.

I would like to take this opportunity to say, Mr. Speaker, that I have been extremely pleased with the results of this program. I feel confident that the 2,323 jobs that have been created through The Private Sector Employment Program are providing valuable training and work experience to individuals of this Province, particularly the 723 students involved.

MR. DECKER:
Mr. Speaker.

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

MR. DECKER:
\$6.02 million, Mr. Speaker, translates into 2,323 jobs at a price of \$2,582 per job, almost \$2,600 per job. I understand these jobs average about ten to twenty weeks out of a year.

SOME HON. MEMBERS:
Oh, oh!

MR. HODDER:
You are misrepresenting again.

MR. DECKER:
Mr. Speaker, I understand that in any given time there is somewhere between 40,000 and 50,000 Newfoundlanders unemployed. You can play with statistics all you like, but you ask any Newfoundlander out there who is unemployed and they can tell you any time there is between 40,000 and 50,000 Newfoundlanders unemployed.

Now, all that the hon. minister has to do is to come up with \$104 million and he can solve the unemployment problem in Newfoundland for ten or twenty weeks, Mr. Speaker. Here is the stage you started on - ten or twenty weeks for \$104 million. Quite a bargain!

MR. LONG:
Mr. Speaker.

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

MR. LONG:
Mr. Speaker, the difficulty with the announcement by the minister, as with other announcements, is it is impossible to make any sense of the program the way he presents these announcements. Obviously the program in certain areas has been quite successful.

I would ask the minister, as I have done before, if he could bring forward some kind of coherent picture of the elements which have gone into making this program successful where it has been and perhaps where there might also be difficulties with it.

For instance, there has never been any clear criteria for how anyone might receive approval or not under this program. I noticed just briefly looking at one of the projects announced, the Sea Forest Plantation down in Ferryland, where there are thirteen jobs, one would have to ask whether a big private company like that is, in fact, the kind of business operation that the program is targeted to.

In a similar way, we do not know whether there has been any criteria put out for a training component in these applications.

Mr. Speaker, finally I would say, in order to do a full assessment of the program, we should perhaps begin now to cut the program off where it is with the amount of money that has been spent. One thing we would gain by that is not only some time to do an assessment of the program, but free up some other monies for areas in public services and human services the government has refused to make money available for.

One area I would suggest to the minister is transitional services for battered women in this Province.

Thank you, Mr. Speaker.

Oral Questions

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. WELLS:

Mr. Speaker, I have a question for the Minister of Transportation (Mr. Doyle). When he was debating the resolution put to this House earlier by the hon. member for Burgeo Bay d'Espoir (Mr. Gilbert) on the railway matter, he opposed the resolution, he said, and amongst other things he gave this as his reason for doing it. "The resolution cannot be accepted, Mr. Speaker, because it calls for the abandonment of the principles that were fought for under the Terms of Union, and this government will not negotiate the rights accorded it, and accorded Newfoundland under those Terms of Union." Now, Mr. Speaker, my question to the hon. minister is in view of that stated position how could he approve of and support an agreement which said that the payments to be made under this railroad agreement "will represent a meeting, to the satisfaction of Newfoundland, of Canada's constitutional obligations related to railways on the Island of Newfoundland"? Would he explain that to the House and to the people of Newfoundland?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

Mr. Speaker, if I remember correctly, when that resolution was being debated I think one of the principle items contained in the debate on the resolution was that of freight rate protection. We clearly stated that we were not prepared to bargain away freight rate protection, and we wanted Newfoundland to be essentially

guaranteed that railway freight rates, to, from and within Newfoundland would be set on the same level as railway rates in the Maritime provinces. In this particular Memorandum of Understanding that the Province has signed with the federal government, it has been made abundantly clear that Newfoundland will have freight rate protection, and that direction has been given to CN to maintain freight rates on the intermodal service that will be set up, that would be consistent with freight rates being charged in the Maritime region. That was one of the principles that we were very concerned about, that if the railway in Newfoundland did shut down, that for any intermodal service that was set up by TerraTransport there would be some guarantees that freight rates would be set consistent with those in the Maritime region. We have achieved that in the Memorandum of Understanding and, as I indicated to the House a few days ago, this is a top-notch agreement that we have signed with the federal government and one which will take the people of Newfoundland into the 21st Century with a good, efficient, transportation system.

MR. WELLS:

A supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. WELLS:

Does the minister agree that Clause 10.(1) negotiates away Newfoundland's rights under the Terms of Union in exchange for the payment? Does he agree with that?

MR. SPEAKER:

The hon. the member for

Transportation.

MR. DOYLE:

Which clause?

MR. WELLS:

Clause 10.(1).

MR. DOYLE:

Well, I will have to look at the Memorandum of Understanding.

SOME HON. MEMBERS:

Do you not know what is in it?

MR. DOYLE:

I do not know every number off by heart in the Memorandum. There are quite a few there, Mr. Speaker. So I would have to look at 10.(1).

Mr. Speaker, clause 10.(1) reads: 'The foregoing arrangements are ... offered herein by Canada as a comprehensive transportation package intended to address the parties' concern to provide a full and effective transportation service for the Island of Newfoundland following the closure of the Newfoundland Railway. It is offered in full satisfaction of all Canada's constitutional obligations related to railways on the Island of Newfoundland, and Newfoundland acknowledges that these arrangements are made for such a purpose, and accepts that when carried out and performed in accordance with the provisions and intent of this Memorandum of Understanding, they will represent a meeting, to the satisfaction of Newfoundland of Canada's constitutional obligations related to railways on the Island of Newfoundland.'

Yes, Mr. Speaker, I think we certainly have guarantees under that, and all of the legal opinions that we have received on

it have indicated yes, we do have guarantees.

MR. WELLS:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. WELLS:

Does the minister now agree, having read it, that he has done, by this agreement, what he said on March 16 he would not do?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

No, Mr. Speaker.

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Speaker.

I would like to ask a question of the same minister. It has to do, surprisingly, with the same paragraph the minister just read. I know the minister can read very easily but has difficulty understanding, so I will point out to him that it says here that this is offered by Canada as a comprehensive transportation package to provide a full and effective transportation service.

Is the minister aware that this means that he has signed away the right to any other transportation agreement until the year 2004? Is he aware of that?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

No, Mr. Speaker.

We all recognize, I believe, the little game that hon. members are getting on with here. They are hurting very badly. It is quite obvious by now to everyone in the Province what the Opposition are attempting to do. They are obviously playing very poor politics with the issue, Mr. Speaker. They realize that this deal we have made with the federal government is an unbelievably good one, as I said, which takes Newfoundland into the 21st Century. We do have the protection that we require under this Memorandum of Understanding with respect to the freight rates.

Insofar as the other Terms of Union are concerned, Mr. Speaker, Term 31 does not provide for the continuation and maintenance of the railway. It just simply states that Canada will take over the railway. There is no statement that Canada has to operate this railway in perpetuity and there was no possible way, Mr. Speaker, as I indicated before, that the federal government could be bound to that particular clause. What we did have some concerns about, given the fact that there will now be a new intermodal freight rate service set up by TerraTransport, was to have some guarantees that the freight rates would be set and consistent with what is set in the Maritime region. We have that in the understanding that we have with the federal government, and CN has been directed by the federal government to set freight rates consistent with that policy.

MR. BAKER:
Mr. Speaker.

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

MR. BAKER:
He can avoid the question all he wants. I ask him why did he sign such an agreement, one which obviously states that this is the only transportation money that will be available up to the year 2004? Why did he dare sign away the rights of any future governments to ever negotiate another transportation package for this Province?

SOME HON. MEMBERS:
Hear, hear!

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

MR. DOYLE:
Mr. Speaker, that is a bunch of hogwash. Any and all monies that have been made available to Newfoundland under this agreement are new monies over and above what we would be normally negotiating with the federal government under ERDA and other secondary roads programs.

Mr. Speaker, I might add that this government had the foresight and the insight to have a reopener clause in our Memorandum of Understanding with the federal government-

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
-to ensure that all of the objectives clearly outlined by the federal government with respect to achieving what we hope to achieve

under this agreement are kept.

And, if the hon. gentleman opposite and his leader had had that foresight back in the 1960s we would not have a sixty-five year agreement on the Churchill right now, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
There will be no more Churchill Falls agreements, Mr. Speaker. This government has ensured the future of Newfoundlanders. We have signed a good railway deal, a good railway package for \$800 million. It might be of interest to hon. members opposite to know that Prince Edward Island is now looking for a railway deal as well, which I believe involves in the neighborhood of \$100 million.

So, Mr. Speaker, this government is to be applauded for what it has done for the people of Newfoundland. And not only one particular area of the Province is going to be served by this agreement, but every single nook and cranny in Newfoundland, from St. John's to Port aux Basques, Northern Peninsula to the South Coast, West Coast, all of Newfoundland will benefit from this agreement, a very, very good agreement.

MR. FENWICK:
Mr. Speaker.

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

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

One of the advantages of looking at this whole deal from 500 miles away is you can get a wider

perspective on it, and you do not have to listen to all that is going on here

It seems to me in looking at the particular deal that the one area that is most hard hit is the town of Port aux Basques. They have, I think, put out a press release signifying that they are very unhappy. I believe the member for LaPoile (Mr. Mitchell) has also indicated he feels Port aux Basques is hard-hit as well.

My question to the minister is this: Since they fear that the removal of the railway will mean that in five years time virtually no freight will come through, and that the impact will be more than just the CN jobs that are being closed out now, has the minister or this government done any kinds of studies to indicate what the future of Port aux Basques will be when the railway is discontinued and all the other changes in the modes of transportation go into effect?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

Mr. Speaker, I think we are all aware that there will be some effect upon the Port aux Basques and Bishop's Falls areas in particular. This is why this government was so insistent on having, as part of this agreement, a good community adjustment package. Mr. Speaker, there is a community adjustment package of approximately \$15 million which will be shared between Port aux Basques and Bishop's Falls.

Mr. Speaker, I guess the marketplace itself will determine what modes of transportation are

going to be used, if commodities are going to come to certain areas of the Province by water, into Corner Brook or St. John's or other areas of the Province. I guess the marketplace dictates that, and that is something that essentially we, as a government, have no control over.

It should be pointed out as well that Terra-Transport is not leaving the Province, as some people seem to think, because of this railway agreement. They are not leaving the Province. They are committed to setting up a good, efficient, intermodal service and they are going after the share of the marketplace that they lost over the last five to ten years.

Mr. Speaker, a lot of that freight will still be moving through Port aux Basques, and, as I said, nobody knows what the dictates of the marketplace will be. Some of it will undoubtedly be going by water now that the railway is closed down. But we recognize the problems that are there for places like Bishop's Falls and Port aux Basques. We will be keeping a very close eye on those two particular communities and making sure that the community adjustment money is used wisely.

There will be a committee set up, as a matter of fact, consisting of people from the provincial government, the federal government and also the communities themselves, to administer and to make suggestions as to how the money could be spent to lessen the impact upon the areas.

I am sure, Mr. Speaker, that over time the effect of the close down of the railway will be less and less upon those communities.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Menihek.

MR. FENWICK:

By the way, in that answer, I was not sure if the minister said yes or no that any studies had been done. Maybe in reply to my supplementary he might include that.

Assuming that no study was done, would the minister give us either his best guess or his officials' best estimates on what the long-term effect will be on the community of Port aux Basques? I am saying specifically Port aux Basques because my understanding is that the changes in intermodal traffic will mean that Port aux Basques itself will be most hard-hit. The supplementary is: If you do not have a study, then what was the guess from yourself or your officials when you were putting together this package on the impact on Port aux Basques, and how did you come up with this \$7 million? Why do you think it is enough to alleviate the damage that I estimate would take about eight or ten times as much money as that?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

Mr. Speaker, to try and be a little bit more specific about the study that the hon. gentleman refers to, I can indicate to him that this particular problem was studied at some point by the Intergovernmental Affairs people and people within my own department as well. It is

inevitable that will be some impact upon those two communities, but we feel, Mr. Speaker, that the long-term effect will be minimized because of the community adjustment packages that we have put in place. As I said, we are monitoring this situation in great detail to ensure that the money is spent wisely and that there probably can be some other industry established in those two communities that are most affected by the agreement. Hopefully, Mr. Speaker, the long-term impact will be minimal. I do not have a crystal ball. I do not know what, if any, will be the effect five or ten years down the road. I can assume that the effect will probably be minimal, given the fact that these communities have a community adjustment package that they can take advantage of. We will certainly have to look at any and all problems that arise as a result of the railway shutdown. We will be quite vigilant indeed. The member for LaPoile is on top of the situation on a daily basis, coming to me with various problems that he feels might pop up in the area over time. We will do all we can to address that when it occurs.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. FENWICK:

As I understand, in the minister's answer he indicated that Intergovernmental Affairs had done some studies on the effects of it. My final supplementary to the minister is this: If the Intergovernmental Affairs Department has done the study and has produced some sort of document with estimates on it, would the minister be willing to table it

this House the results of this study to give us an indication of the problems they are facing so that we in this House have some feeling on whether or not \$7 million is enough to alleviate the incredible impact that will be suffered by the people of the Southwest corner of the Province?

MR. DOYLE:
Mr. Speaker.

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

MR. DOYLE:
Mr. Speaker, I do not know if there is any glossy documents that I can make available to the hon. member, except to say that we have studied the problem in great details, as I have indicated to him already, and we are hoping that the long-term impact upon those two areas will be minimal and that the community adjustment package will look after it, Mr. Speaker.

MR. SIMMONS:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Fortune - Hermitage.

MR. SIMMONS:
Mr. Speaker, a question to the same minister who talked a minute ago about the reopener clause. I remind him there is another famous reopener clause called Term 29 in the Terms of Union, and we all know what a Tory Government did to that particular reopener clause. Mr. Speaker, the \$100 million which was added on to the ERDA Highways Agreement has been allocated, as the minister will know. I say to him, by way of question, what other money, just

to put this whole thing in some perspective, can the minister access to provide funding for upgrading and paving of those roads which were not addressed in the \$100 million, or in the earlier announcements this year, such as the Hermitage - Seal Cove Road? What other money does the minister foresee he can access in this fiscal year to address problems such as the Hermitage - Seal Cove Road?

MR. DOYLE:
Mr. Speaker.

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

MR. DOYLE:
I would just like to make one correction, in what the hon. member said, because I would not want the impression to go out that we have allocated all of the ERDA monies. That is not true. Under the cash flow we could allocate approximately \$25 million this year. Those monies are in the process of being allocated, Mr. Speaker. And I do not think the hon. gentleman, incidentally, got too much to complaint about when you see what was made available to his district under the ERDA agreement.

MR. MORGAN:
He does not want it.

MR. DINN:
He does not want it. He said it was blood money.

MR. DOYLE:
Some \$8.8 million, Mr. Speaker, is going to be spent on the Harbour Breton Road toward Belleoram. And on top of that I think he got a pretty good chunk of money out of our provincial Capital Roads

Program just a couple of weeks ago when we announced approximately \$400,000 from Mose Ambrose towards Coombs Cove, which is going to be undertaken this year as well.

Mr. Speaker, the hon. gentleman asked what other monies we can access. We have already announced this construction season approximately \$100 million. I think that is a very, very substantial program. And incidentally because of this railway agreement, Mr. Speaker, we are going to have approximately \$100 million to \$110 million every single year for the next fifteen years. So we are going to be able to undertake an awful lot projects that hon. members are concerned about. Unfortunately, Mr. Speaker, and it is very unfortunate indeed, we cannot do every single project in the Province in any one given year. That is impossible. But I think the people of the Province can be fairly well assured now, given this very, very extensive package of funding that we will be accessing over the next fifteen years, that their problems will be addressed.

Hopefully, Mr. Speaker, some of the problems that the hon. gentleman has in his district will be addressed again next year. We have already, under this agreement, made available just about \$9 million to the hon. gentleman's area. Now undoubtedly, of course, Mr. Price had some influence on \$8.8 million on the Harbour Breton Highway toward Belleoram.

But, Mr. Speaker, we were quite generous with the hon. member this year in making available \$400,000 of provincial money, which is going to be spent, as I said,

between Mose Ambrose to Coomb's Cove, and hopefully we will get around to the rest of the hon. member's problems in due course.

MR. SIMMONS:
Mr. Speaker,

MR. SPEAKER:
A supplementary, the hon. member for Fortune - Hermitage.

MR. SIMMONS:
Mr. Speaker, the minister will be aware that the people in the area that we are talking about cannot wait fifteen years, as he suggests. I ask him to acknowledge,

AN HON. MEMBER:
Are you against that, too?

MR. SIMMONS:
I am against the sell-out. I am against the pawn shop approach, giving something away.

Mr. Speaker, I ask the minister would he acknowledge for the House that he did indeed make an undertaking to the Hermitage - Gaultois delegation when they met with him a month or so ago, that were there a new secondary agreement, or were there an add-on to an existing ERDA highways agreement, we saw their project, the Hermitage - Seal Cove Road, as being on the top of the list? Will he indicate to the House whether indeed that was his recommendation to the federal-provincial negotiators, that Hermitage - Seal Cove would be on the top of the list, as he undertook in a meeting with that delegation?

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

MR. DOYLE:

Mr. Speaker, I have absolutely no reservations about standing here today, looking the hon. member square in the face and telling him no, that undertaking, that commitment, that promise was never given. What I indicated to the people from his district who met with me was that if and when we were able to access some extra money under a secondary roads program, or if the railway was shut down and we were able to get some extra money through that source, we would be able to look at a whole lot more projects in the Province that deserve attention.

And we are in the process of doing that, Mr. Speaker. As I indicated to the hon. member, our commitment to his district has been well documented, well documented indeed, some \$8.8 million approved in the top-up to the ERDA agreement under this new railway transportation initiative, \$8.8 million awarded to the hon. gentleman's area. Now it is quite unfortunate and I sympathize a great deal with the hon. member's constituents and every other person in the Province who happens to live on a dirt road. They deserve to have their projects undertaken this year, Mr. Speaker. They deserve to have pavement in the hon. member's area just as well as they do in mine or any other area in the Province. And, Mr. Speaker, as I said, we have not only demonstrated that commitment, we have kept that commitment with the monies that we have allocated to the member's district this year. And we did not wait, incidentally, for a railway agreement to do that. We approved, as I said close, to \$500,000 for the member's area to do work in his district. And, as

I said, I sympathize with the people who need to have their roads paved in the hon. member's area, and we will do everything in our power to see that this work is undertaken when the money becomes available, Mr. Speaker.

MR. SIMMONS:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. SIMMONS:

Would the minister indicate to the House, would he confirm for the House that the Hermitage - Seal Cove Road was on the set of recommendations which came down from the federal side in the negotiations, and that the road was eliminated by the provincial side, that the federals had made the recommendation but it was eliminated by the provincial people?

MR. DOYLE:

That is the road from?

MR. SIMMONS:

From Hermitage to Seal Cove.

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DOYLE:

No, Mr. Speaker, I cannot confirm or deny that, as a matter of fact, simply because I do not have the list of projects here in front of me, and there are many, many projects associated with the package that came forward. Obviously, all of them could not be done. But I cannot confirm or deny for the hon. gentleman that this particular road was included. It may have been, I do not know. You know, I would certainly have to check to find

out. But I do not have the list in front of me now, Mr. Speaker. I cannot confirm or deny that for the hon. member.

MR. W. CARTER:
Mr. Speaker.

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

MR. W. CARTER:
Mr. Speaker, my question goes to the Minister of Fisheries (Mr. Rideout) and it concerns the reports that are coming in from around the Province now to the effect that maybe we are heading for a glut situation in the groundfishery, in certain areas at least, where plants are unable for one reason or another to be able to accommodate the landings. I wonder can the minister tell the House what action does he contemplate taking to head off that situation?

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

MR. RIDEOUT:
Mr. Speaker, there was a number of years passed when I never thought I would face a question in the House of Assembly about a glut, but unfortunately the hon. gentleman is correct. There are many areas of the Province where there is an excellent sign of groundfish and, of course, at the present most of the capacity in the Province is tied up in processing caplin, so that adds to the problem as well. In terms of doing something about it, we have already instituted a policy of issuing glut permits to any facility in the Province that meets federal processing regulations. We have the glut trigger committee activated and

that trigger committee will trigger those permits as is necessary, within hours or so notice, anywhere in the Province. Secondly, we are trying to access some over-the-side sales opportunities. The hon. gentleman, no doubt, will appreciate that is difficult. Our policy has been, for a very good reason, and I am sure every member of the House basically supports it, that we do not allow into Canadian ports foreign bottoms that belong to countries that flagrantly overfish outside of 200. Therefore, ships that would be available, say, in Spain and Portugal, are not available and we do not intend to change our policy in that regard just because of the situation we are facing. We are trying to access some bottoms from Canadian companies and from East Block countries. There is a committee actively working on that now, and that committee includes the union. We will be doing everything we humanly can, including redirecting fish to other parts of the Province where there is not a glut. We have people working on that as well.

MR. W. CARTER:
A supplementary, Mr. Speaker.

MR. SPEAKER:
The hon. the member for Twillingate on a supplementary.

MR. W. CARTER:
Can the minister tell the House why it is he waited until the eleventh hour to start talking about the possibility of getting ships to undertake, for example, over-the-side sales? The glut situation is not uncommon. It has been, granted, for the past two or three years. After three years of fishermen not being able to catch enough fish to keep body and soul

together, now we have a glut and he is waiting until the eleventh hour to talk about getting a contingency plan in place. Why did he wait that long?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, the facts of the matter, and the facts can be borne out by the people involved, which is the federal Department of Fisheries, the union, which we certainly do not control, and the provincial Department of Fisheries, are that there was no such thing as waiting until the eleventh hour. The glut management plan for this Province, the contingency plan, has been in place for several weeks. The problem, Mr. Speaker, is that there are simply no foreign bottoms available at a moment's notice to come into Canadian waters, with the exception of Spain and Portugal, and we are not going to allow them in. It is as simple as that.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, a quick question to the Minister of Justice (Ms Verge). She will know that in 1980 the Premier said that Newfoundland sees its demands for an improved railway system as a right under the Terms of Union with Canada and not linked with possible federal spending on needed highway improvements. Now could the Minister of Justice tell

the House how we came from in 1980, having a constitutional right under the Terms of Union, to 1988, where we do not have a constitutional right under the Terms of Union. The Premier in 1980 said clearly we have a solid case under the Terms of Union and a constitutional right and there ought to be no links between highway funding and railway funding. How did we go from having a constitutional right in 1980 to not having one in 1988?

MS VERGE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, the present Premier at the start of his administration made every effort to make the Newfoundland Railway viable and attractive to consumers.

SOME HON. MEMBERS:

Hear, hear!

MS VERGE:

And we used, as the Premier himself has said, every lever at our disposal to pressure the federal government and CN to carry out modernization of the railway and implement a containerization program, and we had some success. However, it did not work. The consumers of the Province have responded, and we have had to accept reality, that the railway is passé, and confront the need for change. And we have done that and succeeded in negotiating a very, very good agreement with the federal government to fund major improvements in road and water modes of transportation to meet the future transportation needs of our people. And instead of wasting our time nit-picking over

pieces of paper and documents from decades past, what this administration is doing is facing the future and looking ahead to the next decades.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker, a supplementary.

MR. SPEAKER:

A supplementary, the hon. the member for St. Barbe.

MR. FUREY:

What the Minister of Justice is saying is that the Premier was posturing in 1980 about having a constitutional right. He was probably posturing the other day when he said we did not have a constitutional right. Now I would like to ask the Minister of Justice will she table in this House the 1980 legal opinion that the Premier sought showing that we had a constitutional right? And will she further table the 1988 opinion, not the synopsis, the twenty or twenty-five page opinion developed by her department which shows that we do not have a constitutional right? Would she please table both those legal opinions sought by the Justice Department that give two separate and different viewpoints?

MS VERGE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, the government has already distributed to all hon. members, and the news media for the public of the Province, the legal advice given by the top lawyers in the Justice

Department. That legal advice is consistent with advice and opinions given now and in the past by lawyers now employed by the department and outside counsel.

MR. FUREY:

Is the minister stupid? I asked for the legal opinion?

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FUREY:

I am sorry, Mr. Speaker.

MR. SPEAKER:

The time for Oral Questions has elapsed.

Petitions

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Environment and Lands

MR. RUSSELL:

Mr. Speaker, I am pleased today to present a petition which approximately 356 students and teachers from the Fortune Collegiate and Grand Bank area have forwarded to me.

Mr. Speaker, maybe I can best sum up the prayer of the petition in the covering letter to it. It is addressed to me as the minister, and not to the House or government, and I would hope that Your Honour will be a little lenient in that it might not meet the exact criteria set down in petitions.

It says: "I am enclosing with this letter a petition circulated by the students of Fortune Collegiate petitioning your government to reinstate the returnable bottle and can."

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

"The students feel that the nonreturnable bottles and cans have become the major pollution problem within our Province. They feel so strongly about this issue that they decided to participate in formulating this petition to indicate to you the magnitude of the problem, with the hope that your government will institute a policy of returnable bottles and cans.

"I believe that my students have had a tremendous learning experience in using the democratic process in an effort to change, or at least to attempt to influence changes, in government policy.

"I respectfully request that you present this petition to the House of Assembly and then forward it to Cabinet for possible action.

"My students and I thank you for your sincere concern over this issue, and we trust that you will give this petition due consideration when you deal with this problem issue."

Mr. Speaker, I am pleased indeed to present this petition for several reasons: One, I am delighted to see the young people and the students of this Province become involved in environmental issues. I have said publicly there appears to be a kind of an attitudinal problem on the part of Newfoundlanders, Mr. Speaker, to

throw away the cans and the bottles along the highways and in the parks and along the rivers, ponds and streams and so on. I think if we are to change this attitude, Mr. Speaker, it perhaps should start in the schools, to better educate the young people about the pollution problem created and can be created by this kind of thing.

I am delighted in congratulating the students and the teachers in the Fortune and Grand Bank area, and particularly the teacher who is responsible for this. I talked to this teacher, Mr. Speaker, on the CBC **Morning Show** during Environment Week and he indicated to me a petition would be forthcoming, and I also indicated to him, of course, that I would be pleased to receive it and I would present it to the Legislature.

The teacher in question, Mr. Speaker, is one who is well known by members opposite, well known by the person presenting this petition, Mr. Speaker. He is Graham Wood.

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

Without really bringing politics into this, I had the pleasure to defeat the gentleman in 1982.

However, Mr. Speaker, I congratulate him for taking this initiative with his students and the teachers in that area. They are to be congratulated for this.

I look forward, in the not too distant future hopefully, when this government can do something about this problem. I think that the people in this Province now are more environmentally conscious

about this sort of thing than they were a few years ago.

I have had numerous letters from various groups, the Federation of Mayor and Municipalities, for example, and the Association of Youth Serving Agencies, I think is another, and several individual councils and individual citizens of this Province indicating to me their support for this kind of initiative.

I am looking forward, hopefully, to government dealing with it in the not too distant future.

Mr. Speaker, I table this petition and certainly will refer it to my own department to which it belongs.

Thank you, Mr. Speaker.

MR. DECKER:
Mr. Speaker.

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

MR. DECKER:
Mr. Speaker, I am glad to have the opportunity to stand up and support this petition presented by students and teachers. I think it is a very, very important petition.

However, I do have a little bit of advice for the students and teachers who signed this petition, because they are dealing with a government who probably have less concern for the environment than any government in North America today.

We have a minister who hardly knows the difference between PCBs and jelly beans. We have a countryside which is littered with car wrecks. We have town dumps which are nothing only eye sores

to visiting tourists as well as to our own residents

So this petition is addressed, Mr. Speaker, to a government which has a total disregard for the landscape. This petition comes from people who realize the total disregard for the environment this government has and the present government is trying to force the people to do something about cleaning up the environment. It is a good petition and I think we should get more of them.

A few weeks ago, Mr. Speaker, I talked about the ribbon of glass from here to St. Anthony. Let me tell about some more problems were those nonreturnable bottles turn up.

The salmon season on the rivers opened last week, Mr. Speaker, and anyone who had a salmon licence to go to the rivers, in practically every river in this Province will bring back the same story, that the river bottoms are cluttered with soft drink bottles. Thrown there because there are valueless. You do not see any ten cent pieces on the bottom of the rivers. You do not see any money on the bottom of the rivers, but you see bottles and empty pop cans thrown into the rivers, Mr. Speaker. The environment is being devastated because this government is allowing the manufacturers to make a bottle totally worthless. It is cheaper to throw it away than it is to carry it home.

Mr. Speaker, to drive across this Province on the highway, whether it be the Trans-Canada or the trunk roads, an intelligent driver would assume he is expected to throw his pop can, to throw his soft drink bottles out over the side of the road. There is not

one sign posted saying, 'Do not throw your litter on the side of the road,' not a sign! I asked the Minister of Transportation sometime ago to put those signs up, and while he is at it, to put some garbage bins there.

The logical conclusion to arrive at for people getting off the ferry in Port aux Basques or whoever, is it is quite legal in this Province to keep your garbage in your car in Nova Scotia and as soon as you get across the Gulf, sling it out over the roadside. Now this is the kind of government that this petition is addressing.

I certainly support the petition but I warn and I advise the people who signed it, do not hold your breath while you are waiting because there will be nothing done with the environment in this Province until we get a government who cares. And I hope that will happen sooner than later.

Thank you, Mr. Speaker.

MR. MITCHELL:
Mr. Speaker.

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

MR. MITCHELL:
This is another petition, Mr. Speaker.

MR. LONG:
Mr. Speaker.

MR. SPEAKER:
It is not in order for the hon. member for St. John's East (Mr. Long) to speak to this petition because there has been one already speaking on this side.

MR. LONG:
Mr. Speaker, I ask for leave to

speak to be third speaker on the petition.

MR. SPEAKER:
Does the hon. member have leave of the House?

MR. TULK:
A point of order.

MR. SPEAKER:
A point of order, the hon. the member for Fogo.

MR. TULK:
Just a point of clarification.

MR. LONG:
You are supposed to go back to that side but they do not have anybody else to speak.

MR. TULK:
I think you have to go back to that side if there is somebody who wishes to address the petition. I could be wrong. Since there is nobody who wishes to address the petition, I think, we are allowed to have three members speak. I think the hon. gentleman can speak.

AN HON. MEMBER:
(Inaudible).

MR. TULK:
No, but he wanted to raise another petition.

MR. SPEAKER:
Order, please!

That is not according to our Standing Orders. Standing Orders say a person presents a petition and one from each side will then speak, but if the hon. member has leave of the House.

SOME HON. MEMBERS:
By leave.

MR. SPEAKER:

The hon. the member for St. John's East, by leave.

MR. LONG:

Thank you, Mr. Speaker.

I appreciate the leave of the House to add a few comments to the petition presented by the minister responsible for protecting our environment which I would like to remind him of, because I think this minister and this government are not always mindful that there is a Department of Environment which is charged with the primary duty of protecting the environment and not, as we have seen on certain occasions, acting as a facilitator for the easy management of industrial projects and difficult environmental questions that either protect industry or protect the government from difficult political questions and do little in the way of protecting the environment.

I was surprised, frankly, the Minister of Environment, in presenting the petition, really had nothing to say as to whether there was any progress within government on the promise the minister has given in the past to have some movement on this issue.

In fact, I have been, in the last days of the House as we head towards the closing of the House, been wondering, and perhaps intending to ask at some point, depending on how many days we have left, whether the minister is able to come forward with a commitment he gave in the past that the government will take action hopefully, he said, before the House closed during the Summer.

Mr. Speaker, this issue that young people especially have been mobilizing broad public support on

across the Province, is expressed today in a petition he has received by one group of students and their teacher from one area of the Province. The minister is aware, and I am sure most hon. members are, and certainly the government should be aware, that this issue is galvanizing the imagination of not only young people, who are leading a mobilizing effort, but people all across the Province.

I think the member for the Strait of Belle Isle has added some words that have put a good image to the problem we face when he describes a ribbon of glass and talks about the car wrecks.

But there is a real question about the petition that has been brought before us when the minister gives credit to the energies of the young people and the need for further education in environment. I would say there is going to be a real lesson for these young people in the business of democracy, and whether, as a result of their efforts and their province-wide organizing of the energy they have generated, the government is going to be able to respond, whether the government is going to be able to take this Minister of Environment, the minister responsible for protecting the environment, and the whole Department of Environment, and all the questions relating to the environment and say, 'We, as a government, believe that this is an issue of primary importance to the people of this Province,' and immediately take action to phase in a program in which the soft drink cans will be banned in this Province.

The soft drink distillers have, I am sure, over the past number of years had the ear of various

ministers and perhaps the Premier of the government, complaining about the costs that they would incur in going through such changes. But the government should come in and force a program of action in which we will move to not only ban the can, but bring in bottles that will be disposable and returnable for deposit, because that is what young people are also asking for.

Given the difficulties young people have in organizing themselves in youth groups and community associations, they remember stories from their parents of how bottle drives on Saturday afternoons or Sunday mornings were always an important fund raising opportunity for all kinds of community groups, but especially youth groups.

So the young people are saying, 'In our efforts to be organized and continue to carry out the activities of our youth groups and youth associations, we need the bottle return, not only for environmental reasons, but for other reasons that have to do with the welfare of the community and the ability of groups to organize themselves and raise funds.' I think that is a very important aspect of the campaign young people are bringing forward.

I would just say, in conclusion, Mr. Speaker, what the minister has done in bringing forward the petition is again put pressure, not on the House, because the minister has received representation from both of the parties in the House, but put pressure where it belongs.

Government now, in due democratic fashion, should come forward in the next couple of days with an

announcement before the House closes that the government will bring in the plan to ban the can and move toward returnable disposable bottles and deposit returns on bottles across the Province.

Thank you, Mr. Speaker.

MR. MITCHELL:
Mr. Speaker.

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

MR. MITCHELL:
Mr. Speaker, I rise today to present a petition from the residents of Rose Blanche, Harbour Le Cou and Diamond Cove. Mr. Speaker, there are 583 names on this petition and I would like to read the prayer of the petition, Mr. Speaker.

It says: "We, the people of Rose Blanche, do hereby petition the government to force Rose Ting of El Dorado Seafoods Limited to sell her holdings in our community. The reason for this petition is that we, the people, have lost confidence in El Dorado Seafoods to provide jobs for our community."

Mr. Speaker, I think it is interesting to note that the people who signed this petition were sixteen years of age and over.

Mr. Speaker, it expresses the feeling that the people have in Rose Blanche for the major industry which was the fish plant there. Mr. Speaker, when Mrs. Ting came to Rose Blanche about three years ago, she approached the people there and she had tremendous plans for that operation. It was going to operate nine months out of the

year. Mr. Speaker, everybody was going to be employed in the community. Her long range plan, Mr. Speaker, was to get into secondary processing and, I understand there had been some talk about processing underutilized species of fish into cat food so that it would be a very viable operation.

But, Mr. Speaker, that did not turn out to be so. Last year the people in those communities had a very frustrating winter. The plant operated between six to seven weeks. It never operated long enough, Mr. Speaker, for the residents of that community to have gotten enough credit with their stamps in order to qualify for UTC.

So it left these communities, Mr. Speaker, in a bit of an unsettled situation. Mr. Speaker, this is why I take this privilege today to support this petition. I agree with the 583 names that is on this petition and I urge the Government of Newfoundland and Labrador to do what it possibly can to try and find out if there is some way we can force Mrs. Ting into selling her operation or having that operation, Mr. Speaker, open again so these people in these communities can get back to work.

Mr. Speaker, I realize during the Summer months it was not traditional for the plant to operate. But in another couple of months, Mr. Speaker, the residents in these communities will be looking forward to going back to work in their fishing industry.

Mr. Speaker, I urge the government to give consideration to this petition. It is my pleasure now, Mr. Speaker, to present it to this House so that it will be presented

to the proper department.

Thank you.

MR. SIMMONS:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Fortune - Hermitage.

MR. SIMMONS:
Mr. Speaker, I rise, and in so doing take pleasure in supporting the petition so ably presented by my friend and colleague for LaPoile (Mr. Mitchell). He talks about an issue which needs to be addressed without delay.

We have seen what has happened to the people in St. Lawrence and Lawn through the neglect of a situation beyond the eleventh hour. Thanks to the efforts of the Minister of Fisheries, and other people, that situation is resolved, at least for the present, in St. Lawrence and in Lawn.

Rose Blanche is another matter. The same company, or the same individual, Mrs. Ting, is involved. Here we have 385 signatories, plus hundreds of other people who are effected, as the member has indicated, by this uncertainty.

So, my plea to the minister insofar as he is able, and I recognize he is dealing with a private enterprise company, but I want to join with the gentleman for LaPoile in making a plea that insofar as it is within the minister's capability, the matter be expedited. Let the axe fall, or let the uncertainty end, and let the other shoe drop. Let the people of Rose Blanche know exactly what is going on instead of, in this case, waiting until

the eleventh hour.

I am sure it was an oversight on the part of the member for LaPoile that, and I realize the petition is from Rose Blanche, but I am sure he would want to say the same things insofar as the Port aux Basques plant is concerned. It is the same situation here. I fully recognize that what whatever will be done about the one ought to be done about the other, because we are dealing with the same owner and the same terrible dilemma, where hundreds of people are left in limbo, not knowing for sure whether those plants, of Rose Blanche and Port aux Basques, are ever going to open again.

Indeed, if one were a gambling man, I suppose you would say, based on what has happened in St. Lawrence and Lawn, the chances are that Mrs Ting at the moment is whistling in the wind, hoping against hope, that time will bail here out, that by the time the next Winter fishery comes around, things will improve for her.

Well, hope ought to be based on a little more than just wishful thinking, it ought to be based on some evidence and some planning. From my knowledge of those two situations in Rose Blanche and Port aux Basques, I cannot see that we can be optimistic about the reopening of those plants even next Winter under Mrs Ting's leadership.

So, Mr. Speaker, I take pleasure in supporting the prayer of the petition presented by the gentleman for LaPoile and I join him in his appeal that the matter be expedited so the people of Rose Blanche and the people of Port aux Basques not be left in limbo any further.

Mr. Speaker, insofar as the people of Port aux Basques are concerned, of course, this is really a double whammy because they are the same people who on Monday had almost a death sentence passed on them in terms of the impact.

MR. MITCHELL:

Do not be nasty, now.

MR. SIMMONS:

No, it is not a question of being nasty, as the member says, it is a question of stating the reality as it affects the community of Port aux Basques. I do not think the member would allege for a moment that what happened on Monday is a happy thing for Port aux Basques.

It is a jarring thing, and it maybe had to happen in time, but I do not think anybody should suggest it is a happy event for the people of Port aux Basques, what happened on Monday with the signing of the railway agreement. Not, only the uncertainty about the jobs there insofar as Marine Atlantic and Terra Transport are concerned but, of course, before all of that, the closure of the fish plant because of Mrs Ting's financial problems is a double whammy, as I say.

So I appeal to the government, through the Minister of Fisheries, who is here in the chamber, to do their best, to use their best offices to resolve the Rose Blanche and Port aux Basques situations at the earliest possible opportunity.

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Thank you, Mr. Speaker.

I am very happy to have the opportunity to make a few remarks in support of the petition presented by my colleague from LaPoile (Mr. Mitchell). Obviously the petition, signed by 583 resident of Rose Blanche, Harbour Le Cou and Diamond Cove, deserves and, I can assure the House, will receive the immediate attention of the government of this Province.

We have no intention of waiting until the eleventh hour to ensure, as best we can, that the problems facing Rose Blanche and, for that matter, Port aux Basques as well, are attended to and resolved as quickly as possible.

I want to remind the House government did not wait until the eleventh hour to try to resolve the situation facing St. Lawrence and Lawn either. It just so happened that government was not even aware of the situation until April 21, and following being made aware of the situation, I think, we moved with all haste, and fortunately, as a result of that, were able to see both operations reactivated yesterday.

I do not think it is totally fair to say at the moment, at least, that Port aux Basques is in exactly the same situation. My understanding is the town council of the Port aux Basques is very actively working with Mrs. Ting to try to put together a package which will see the reactivation of the facility.

It may end up being in the same boat. It may end up being in the same situation. But I can assure the hon. gentleman, the people of Rose Blanche, Port aux Basques and area that we will not be

dillydallying.

We will be following through on this with all haste and with all urgency to ensure that whatever has to be done will be done so that when the normal fishing season comes around in another couple of months or so on that corner of the Southwest Coast, if it is humanly possible, those plants will be in operation.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

At this stage, I would like to welcome to the gallery a delegation from Gaultois, Hermitage, and Seal Cove, led by Mayor Wilfred Roberts.

SOME HON. MEMBERS:

Hear, hear!

Orders of the Day

MR. TULK:

Mr. Speaker, on a point of order.

MR. SPEAKER:

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

MR. TULK:

Mr. Speaker, Your Honour will recall that on Monday this House was adjourned - I am sorry! The business of the House was interrupted at five o'clock when Your Honour left the Chair. Debate went on on Bill 14 at seven o'clock, and continued until ten o'clock. The House sat again the next day, and Your Honour, instead of calling Orders of the Day, recognized the member who had been speaking when Your Honour and

quite properly so - interrupted debate. I use the word 'interrupted' in the parliamentary sense.

Debate consequently ensued all day on Tuesday, from two o'clock to five o'clock, or whatever time was left after the daily routine of business had been done, and we went into a seven o'clock session, and at ten o'clock the member for White Bay, the Minister of Fisheries, was speaking. This was on Tuesday evening at ten o'clock, when Your Honour again - well, actually the member for St. John's South, the Minister of Health (Dr. Collins), interrupted with a point of order to which I responded, and then a point of privilege. Your Honour interrupted the business of the House by leaving the Chair, and again quite properly so. There was no adjournment.

I say to Your Honour that if, on Monday, when Your Honour left the Chair - I believe that you did the right thing according to Standing Order 8 of this House - and interrupted the business of the House, at ten o'clock, and on Tuesday at ten o'clock, and followed a certain procedure then of recognizing the member who had been speaking when he interrupted, that the same procedure has to be followed today.

It is not good enough to say that on Wednesday we did something different, because Wednesday is provided for in our Standing Orders. It is Private Member's Day, and nothing but nothing dare interfere with that. So, in actual fact, what I am saying to Your Honour is that today's sitting, on Thursday, is a continuance of the ten o'clock sitting on Tuesday night when Your Honour interrupted the business in the same way as

Tuesday -

AN HON. MEMBER:
(Inaudible).

MR. TULK:
Just be quiet now.

Mr. Speaker, when the House sat on that day, then Your Honour again interrupted debate, and I say to Your Honour that what he should now do is call upon the Minister of Fisheries, and if he is not in his place - I think he had a couple to three minutes left in his time. I believe the Minister of Fisheries did. If he did not, then certainly Your Honour should call that order of business and call upon whoever wants to speak in the Legislature, because on Wednesday -

MR. TOBIN:
The Speaker just called Orders of the Day.

MR. TULK:
He does not have to call Orders of the Day. He recognizes the member.

MR. SIMMONS:
There is nothing wrong with him calling that.

MR. TULK:
So I would ask Your Honour to proceed in that manner, because I think it is the correct manner, or otherwise tell me why not.

DR. COLLINS:
Mr. Speaker, to that point of order.

MR. SPEAKER:
To that point of order, the hon. the Minister of Health.

DR. COLLINS:
Just a small point of correction first. The hon. member opposite

said I interrupted the hon. Minister of Fisheries, which I did not. It says here, the Minister of Fisheries finishes off: "It might be, Mr. Speaker, I have a right to adjourn the debate." "Oh, oh," said the members. Mr. Tulk, not the hon. member for St. John's South, "I hate to interrupt," and then he went on from there. So it was an interruption not by me. The hon. Minister of Fisheries was getting into him adjourning the debate and the House Leader opposite made this interruption. Then, if my memory serves me correctly, got into a point of privilege, and he was still rattling on about that when His Honour says, "The hour of ten is now, I have to adjourn." So in actual fact, it was the hon. member opposite who interfered with the minister's speech, who was going to adjourn the debate.

Mr. Speaker, there is no point of order here. Your Honour has called Orders of the Day, which is quite the correct procedure. We have been in a somewhat irregular activity in this House for some time, as has been mentioned a number of times, including by myself.

Now, what Standing Order 8 says about the proceedings going on at the point of eleven o'clock - well it was ten o'clock at that time - is: "Provided that all business not disposed of at the termination of the sitting shall stand over until the next sitting day." It does not say the sitting day two days hence. It says, the next sitting day.

Now, Mr. Speaker, it could be argued that what the order meant, but did not say, the next sitting day when the order is called. It does not say that, but it could be

argued that that is what is meant there. Indeed, the House Leader on our side suggested that, if my memory serves me correctly, a few days ago and the hon. members opposite said, 'No, no! It does not do that. It means literally what it says. It has to be the next sitting day.' Your Honour accepted that point, and I have absolutely no quarrel with that. If Your Honour accepts that interpretation that it has to be physically the next sitting day in time, it is not when the order is called or when the order comes up or whatever, it is precisely the next sitting day.

Now, Mr. Speaker, if the members opposite prevailed on one day with that interpretation, they are stuck with it, and today is not the next sitting day to last Tuesday. Today is the second sitting day after Tuesday, yesterday being the first. Yesterday was Private Member's Day. The members opposite were quite within their right to give up, if they so wished, Private Member's Day and continue on, if that was their argument. If their argument was that the orders give us the right to continue on Wednesday a debate not completed when the House rose at ten o'clock on Tuesday, they had every right to do that. They could argue it anyway, and say, 'Well, we will give up Private Member's Day because this is so important we will get into it.'

Now, Mr. Speaker, they sat on their hands. They made no move whatsoever. They allowed the next sitting day to proceed normally and, in view of that, I feel that today has to be normal proceedings and, indeed, Your Honour has already called Orders of the Day, and I was about to respond to that

when the hon. member got up on this spurious point of order.

MR. TULK:

Further to the point of order, Mr. Speaker.

MR. SPEAKER:

Only very briefly.

The hon. the member for Fogo.

MR. TULK:

Yes, very briefly, Your Honour. I have to say to Your Honour that it is important we get this straight.

Implicit in the hon. gentleman's remarks is that somehow or other members of this House have to tell Your Honour how to run this Legislature.

DR. COLLINS:

That is what you are doing now.

MR. TULK:

No, I am not telling you. I am just asking for an interpretation.

DR. COLLINS:

Your Honour called Orders of the Day.

MR. SPEAKER:

Order, please!

MR. TULK:

Mr. Speaker, yesterday was Private Member's Day.

DR. COLLINS:

Well, this is government day.

MR. TULK:

Thank you very much. I was just about to say to the hon. gentleman that this is government day as Tuesday was.

DR. COLLINS:

(Inaudible).

MR. TULK:

Mr. Speaker, if I am going to make a point of order.

MR. SPEAKER:

Order, please!

MR. TULK:

Then I am going to be heard in silence, as I listened to the hon. gentleman.

I will say to him to clarify the error, that yes, the interruption was caused by me when I rose on a point of order to ask clarification as to what the government intended to do when the other two members we had to speak on Bill 14 concluded their debate. I will say to him, that is correct, I interrupted the proceedings, he responded, and then I rose on a point of privilege.

Now, the Speaker rules this House and, of course, he does it according to the rules before us. Wednesday is Private Member's Day by our Standing Orders. It is not any next sitting day. It is not a sitting day on which the government has the right to call business. It is the next sitting day. The day that we are in now is the next sitting day for government business and, therefore, we must proceed as we proceeded on Tuesday evening at ten o'clock.

MR. WELLS:

We could not have waived it as an Opposition.

MR. TULK:

That is right. We could not have waived Private Member's Day as an Opposition, because if Your Honour looks at Standing Order 53 1(1) he will see that any private member of this Legislature could have

demanded that Your Honour call Private Member's Day. Therefore, any member on the government side could have moved that this would be Private Member's Day.

Your Honour, I do not think I need to make any more points, that we have reached the stage in this legislature where Your Honour made a ruling and a decision on Monday and again on Tuesday. The decision was, because the debate was interrupted, because the debate was not adjourned, Your Honour decided to leave the Chair on Monday and call the same order of business on the next government sitting day which was Tuesday.

Mr. Speaker, this is the next sitting day that Your Honour, that the Speaker, has control of. Yesterday I would say the Speaker did not have control as to what he could do, because, as I said, any private member in this Legislature could have called for Private Member's Day.

I would say to Your Honour that what we have to do today is to go back to where we were originally on Tuesday evening.

DR. COLLINS:
Further to the point of order, Mr. Speaker.

MR. SPEAKER:
Very briefly.

DR. COLLINS:
The hon. member is, I think, unintentionally misleading Your Honour. He is indicating that the only way the debate could have continued yesterday, Private Member's Day, was for them to request the day be waived. It is not a request.

MR. TULK:

(Inaudible) everybody.

DR. COLLINS:
No, no! Listen to me. There are two Standing Orders. One Standing Order says, 'When the business is interrupted at eleven o'clock, the debate is taken up where it finished on the next sitting day.' That is one Standing Order. Another Standing Order says, 'Wednesdays shall be Private Member's Day.' There are two Standing Orders.

Now, what the hon. member should have done, but he sat on his hands and did not do, is he should have said, "Mr. Speaker, would you resolve the conflict between these two Standing Orders," which you did not do. You sat on your hands. You allowed the normal proceedings to go ahead, and that is what we are doing today, the normal proceedings.

MR. SPEAKER:
Order, please!

My ruling on the day we resumed debate on third reading was based on a number of precedents. I gave the quotations to the hon. members.

Now, I anticipated today. I looked at the matter further and I thought there might be some explanation to make, and for that reason I have gone into it in some detail. I should like at this time to elaborate on the ruling I made on June 21 with respect to Standing Order No. 8.

I said at that time the precedent of which I was aware suggested a debate adjourned at eleven o'clock had to be continued at the next sitting. I was not entirely comfortable with that idea which flies in the face of government's prerogative to determine the order

of business on days when government business has precedence. As well, it is at variance with procedure in other jurisdictions having similar worded orders, in particular, in Ottawa.

Nevertheless, I adhered to the precedents of this House of which I was aware. Since then, inadvertently, as a matter of fact, an incidence has been found of an 11:00 p.m. adjournment when a bill was being debated followed by a Wednesday and Private Member's business. On the Thursday debate was not resumed on the adjourned debate. The Address in Reply debate previously adjourned was resumed. That was on April 7, 8, and 9 of 1970.

On April 28 of the same year debate was adjourned on a bill at 11:00 p.m. On the following day a member sought leave to debate an urgent matter under Standing Order 23. The request was denied.

In ruling as he did, the Speaker pointed out there were a number of orders which government might call which would provide the opportunity of debating the urgent matter. In other words, there was no suggestion that the bill being debated at eleven o'clock must be called.

I, therefore, must rule that there is no obligation to return to the adjourned debate.

0 0 0

DR. COLLINS:

Order No. 6, Bill 23.

Motion, second reading of a bill,
"An Act To Amend The Legal Aid

Act, 1975." (Bill No. 23)

MR. SPEAKER:

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, this is my bill. I had spoken briefly to explain the principle of the bill when it came up for second reading debate a few days ago.

One of the members opposite in the official Opposition spoke and the Leader of the NDP, the member for Menihek (Mr. Fenwick), was speaking on it when we finished that day. I would be happy to take my turn and rebut the points made by the members opposite and complete the debate, but I will sit down for the member for Menihek to conclude, if he wishes to do so.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, we have actually been able to consult with a number of the legal aid lawyers since then who are involved with it, and we have received more information on it, which makes us more comfortable with the intention of the legislation.

Specifically, I understand that one of the biggest problems was the case of the - to use a term to phrase it - biker's gang from Grand Falls, I recall. In their case there were a lot of drug-related charges laid against the individuals concerned and all of them, or a very great number of them, exercised their right under the present regulations to choose their own lawyers. It is my understanding the legal bill for that perhaps was in excess of \$250,000 or more, and threatened

at that point to even bankrupt the legal aid system, or at least deny resources for the legitimate objects of the Legal Aid Society which, of course, is to provide protection for those who cannot afford it.

So, on that basis, this was obviously a loophole that had to be covered, and I understand that that is one of the cases or one of the situations leading to this particular change in it.

We still are a bit uneasy in the sense that it is such a sweeping change from a considerable number of people, we would assume, now having the right to choose their own lawyers, to a very small number, perhaps two or three a year, depending on how many capital cases we have each year. That makes us feel a bit unsettled about it.

The minister promised, the last time we debated this, to give us some details about the number of crimes involved, the number of people charged, and perhaps when she is finished, we will be in a better position to address the whole question of the principle of this bill.

I would be glad to sit down now and let the minister answer the questions we brought up in this debate.

MR. SPEAKER:

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

The hon. the Minister of Justice.

MS VERGE:

Thank you, Mr. Speaker.

As I explained when I spoke before, this amendment was

requested by the Newfoundland Legal Aid Commission. Now, it seems that the member for Mount Scio - Bell Island (Mr. Barry) may not be familiar with the composition of the Legal Aid Commission.

Under our legislation the Commission comprises three representatives of the Law Society of Newfoundland. The present membership actually numbers five voting members, three of whom are Law Society nominees. The Chair is another member of the Law Society, Mr. Allan Caule, QC. There is a lay person who is a voting member, and then there are two ex officio members, the Director of the Commission and the Deputy Minister of Justice.

So the Legal Aid Commission made a request for this change to our act. The main reason for the request is that the Commission felt that it is no longer appropriate to give legal aid clients, charged with offences carrying a maximum of life imprisonment, an unfettered choice of a lawyer. Instead, they called for the change restricting unfettered choice to people charged with essentially murder or offences carrying a minimum of life. Factfully, we do not have very many such charges in the run of a year in our Province.

This change is within the terms of the cost-sharing agreement between the Government of Canada and our Province and, indeed, agreements between the federal government and other provinces. It accords with the present practice in some other provinces of Canada.

The Legal Aid Commission, viewing the experience of the last couple of years, was particularly alarmed

by the case alluded to by the member for Menihek (Mr. Fenwick), a case involving a number of people charged with trafficking in drugs under The Narcotics Control Act, some of whom were not even residents of our Province, who, under the act as it now reads, choose their own lawyers, and each choose a different lawyer from the private bar. There was a very lengthy trial and the total legal aid bill for the trial was very, very substantial.

In the view of the Legal Aid Commission, it resulted in a poor allocation of available public funds for legal aid. Money was eaten up in that particular case which could have been much better spread around the Province to other deserving applicants for civil legal aid.

The budget for our Legal Aid Commission has grown by leaps and bounds since the Commission was set up back in the mid 1970s. Right now the total budget is about \$2.5 million. The Commission employs fourteen staff lawyers in various offices around the Province. I went through the list of locations when I spoke before. Indeed, the Commission is about to expand by adding another office and two more lawyers.

The staff lawyers do over half the legal aid caseload and close to half last year was done by the private bar. The spending by the Legal Aid Commission to the private bar has grown proportionate to the increase in the overall legal budget. Last year, payments to lawyers in private practice surpassed \$800,000, versus only about \$325,000 in 1983. That is a measure of the tremendous improvement in legal aid service

to people in our Province who need the services of lawyers and are not able to afford either all the cost or part of the cost.

The federal-provincial cost sharing agreement provides for the federal government covering 90 percent of the cost of criminal legal aid, but only 50 percent of the cost of civil legal aid. The Commission gives priority to family work but is not able to deal with a lot of the other requests for civil legal aid that come forward.

So, there is a desire to continue the improvement of legal aid services and use the budget in the best way possible to benefit the most people. So that is really the rationale for the request of the Legal Aid Commission for this change.

Now I would like to address the type of criminal offences and the approximate number of legal aid clients who may be affected by this change, judging by the experience of the last year or so.

Offences carrying a maximum of life are relatively few in number. They do include drug trafficking under The Narcotic Control Act. They include break and enter into a dwelling house, kidnapping, extortion and aggravated sexual assault. Over the last year I am told by the Legal Aid Commission, there were about 100 legal clients charged with those kind of offences. Those clients had a unfettered choice of lawyers. A legal aid client in St. John's could have chosen a lawyer in Corner Brook. A client in Corner Brook could have chosen a lawyer in private practice in St. John's. The Legal Aid Commission paid the bill which

had to be made out in accordance with the legal aid tariff.

If this change goes through, the Legal Aid Commission would propose to determine which lawyer is assigned to those kind of clients in future. The Legal Aid Commission may assign one of its staff lawyers to those cases, or may assign the case to a lawyer in private practice in the area where the client lives and where the trial is to take place. But the Commission will be able to exercise its discretion to assure a competent legal representation for all the clients but, at the same time, to try to use the budget in the best way possible to conserve money for other deserving applicants.

Mr. Speaker, although the legal aid budget has grown quite significantly, certainly at a much more rapid pace than the growth in the economy or in the overall provincial budget, still, there are people in our Province who require legal services who are not getting covered by legal aid. I think the most serious deficiency is on the civil side, and even people with some kind of family problems are not getting legal aid coverage. Most of the people involved in divorce applications and child custody matters do get legal aid coverage, but there are people with problems enforcing court orders for maintenance who have not been able to get legal aid coverage.

Through another act, to be introduced I would hope within the next week or so, I will be talking about initiatives our administration is taking to improve enforcement of court orders for family support. Nevertheless, we need to, I think,

accede to the reasonable request of the Legal Aid Commission and amend the act so that the Commission will be able to use its discretion to assign lawyers to clients who are charged with offences carrying a maximum of life imprisonment and, in that way, to try to use the budget in the wisest way possible.

This change, I repeat, conforms with the requirement of the federal/provincial cost-sharing arrangement, and it will bring our Province in line with some of the other provinces of the country.

Mr. Speaker, the member for Mount Scio - Bell Island quite vigorously objected to this. He gave a speech centered on philosophy, and it seemed to be a throwback to his days of teaching at Dalhousie Law School. With respect, I would suggest that it did not really reflect a good understanding of the practical operations of the Legal Aid Commission. I have to say, when I introduced the bill I did not anticipate any opposition, so I did not give a very full explanation. So perhaps part of the problem was caused by me. But I trust now that I have given a more complete explanation, and since members opposite have had a chance to do some of their own research and check with the Legal Aid Commission, perhaps they will agree that this is a reasonable measure after all.

So, with those comments, Mr. Speaker, I move second reading of the bill.

MR. BARRY:

Would the minister be prepared to entertain a question?

MS VERGE:

Mr. Speaker, yes, I would be prepared to entertain a question from the member for Mount Scio - Bell Island, although, of course, we will have another chance to do that in Committee of the Whole.

MR. BARRY:

Yes, Mr. Speaker, we will have an opportunity to go into this matter in Committee of the Whole.

MR. SPEAKER:

Order, please!

I understood the hon. minister was closing the debate.

MR. BARRY:

The minister just agreed to entertain a question, Mr. Speaker, while your attention was being diverted by other individuals.

AN HON. MEMBER:

And by yourselves.

MR. SPEAKER:

The hon. the member for Mount Scio - Bell Island.

MR. BARRY:

And by my colleagues, I am sure, yes.

Mr. Speaker, I wonder if the minister is aware that there may have been a breakdown in communication between members of the Commission and the benchers of the Law Society? Because my consultation with the Secretary and Treasurer of the Law Society indicated that, in fact, they were not aware of the bill coming before the House in this session and there was a very real concern about the impact it could have on those, usually younger members of the bar, who are involved to a large extent with legal aid work.

In speaking to members of the

Legal Aid Commission since this debate, they have indicated that there will be referrals to the bar. Unlike the right wing - sorry! - the Socialist aberration of the right wing Minister of Health, I understand it is not the intent to completely remove the legal aid cases from the private bar. In fact, I think the minister may have led us astray a bit along these lines in terms of talking about increasing the numbers of in-house lawyers at the expense of the legal aid cases that would be referred out.

That was a very real concern, and whether or not the minister wants to recognize it, philosophy does still have a little part to play in the application of the legal system in this Province, whatever the difficulties caused by the practicalities of the drain on the public treasury. There is still a problem here in terms of the bikers' case, the dirty old bikers, the dirty drug pushers, those dirty criminals. Well, the fact of the matter is, many of the people who need legal aid are guilty, ultimately found guilty, so you cannot make decisions on who is going to get a choice of their own lawyer on the basis of whether or not they may be found guilty; that would be a very bizarre application.

MS VERGE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, as I indicated earlier, the Legal Aid Commission comprises three lawyers who represent the Law Society of Newfoundland. I cannot answer for their internal communications. I

can tell all hon. members that since this bill was introduced, I have not heard from the Treasurer of the Law Society. I did meet with the Chairperson of the Legal Aid Commission to discuss it, and at our meeting he confirmed what he had put in writing to me last Fall requesting this amendment and setting out reasons for the requested change.

Mr. Speaker, I did indicate when I spoke a few minutes ago that the thrust of the change will be to allow the Legal Aid Commission to assign lawyers in-house, or members of the private Bar, to clients charged with offenses carrying a maximum of life, and last year there were about a hundred of those cases.

The Chairperson of the Commission indicated to me that the Commission intends to carry on basically the way they have been operating for the vast majority of criminal legal aid clients charged with offenses which do not carry a maximum of life. For all those cases the Commission exercises its judgment about which cases to handle through in-house lawyers and which to farm to outside lawyers, and the Commission will carry on doing that. And I have to comment, Mr. Speaker, that while the member for Mount Scio - Bell Island did wax eloquently about philosophy the last time, today it seems that his chief concern has to do with potential for income earning by some of his colleagues at the Bar.

But, Mr. Speaker, I am glad that we have had the chance -

MR. BARRY:
On a point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Mount Scio - Bell Island.

MR. BARRY:
Mr. Speaker, the minister is obviously still not picking up what is being said on this side. I quite clearly said that it is a matter of some significance that an individual applicant have their own choice of lawyers, and you cannot deny that to them because they might be guilty.

MR. SPEAKER:
Order, please!

MR. SPEAKER:
The hon. member is not making a point of order.

MR. BARRY:
No, Mr. Speaker, it is a point of clarification, I suppose. But the minister should be aware of that.

MS VERGE:
Mr. Speaker.

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

MS VERGE:
Mr. Speaker, I think this is getting dragged out longer than it should have. We will have another opportunity to get into this in Committee of the Whole. But before I close the debate, Mr. Speaker, for the second time, I would like to refute this inference being made by the member for Mount Scio - Bell Island that whether or not a Legal Aid criminal client is thought to be guilty or innocent has anything to do with it? Indeed, the presumption is always that a person charged with an offence is innocent until proven guilty. And the criteria used by the Commission for accepting clients

have to do with the nature of the offence. The financial means of the applicant and then the decision about whether or not to assign an in-house lawyer or a lawyer at the private Bar will have to do with the availability of personnel and the available resources.

Mr. Speaker, with those comments I move second reading of this bill "An Act To Amend The Legal Aid Act, 1975."

SOME HON. MEMBERS:

Hear, hear!

On motion, a bill, "An Act To Amend The Legal Aid Act, 1975," read a second time, ordered referred to a Committee of the Whole House on tomorrow (Bill No. 23).

MR. SIMMS:

Order 7, Bill No. 21.

Motion, second reading of a bill, "An Act To Amend The Conveyancing Act". (Bill No. 21)

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, I am pleased to introduce this Bill, "An Act To Amend The Conveyancing Act." The thrust of the Bill is to provide greater protection for mortgagors, for borrowers, who have to provide mortgages of their property to secure loans. The changes set out in the Bill were requested by the Newfoundland branch of the Canadian Bar Association and the Law Society of Newfoundland. Many of them have to do with what happens when a mortgagor defaults on the payment obligations in the mortgage and the mortgagee, or the lender, exercises its rights under the mortgage document. The

changes set out in the Bill set out a comprehensive procedure which mortgagees will have to follow when exercising the power of sale. They will require mortgagees to give reasonable notice to mortgagors, they will put limits on the manner of sale and the price, and will require the mortgagees to give an accounting to the borrowers.

Another provision of the Bill will require mortgagees to give transfers of mortgages when the mortgages have been redeemed and charge the borrower, the mortgagor, a reasonable fee of \$50.00 or less. A third major provision of the Bill allows a mortgagor, or borrower, to make a final payment under the mortgage to a local attorney of a non-resident mortgagee. Evidently, all along there have been some practical problems and frustrations arising from the fact that people in our Province have borrowed, secured by mortgages, from non-resident lenders.

Mr. Speaker, I do not think I really need to elaborate on the principle of the Bill. As I said in the beginning, the main purpose of it is to give greater protection for mortgage borrowers and to set out in some detail exactly what lenders have to do with respect to mortgagors to allow borrowers a chance to protect their interests. The changes were vetted by people in our Province involved in both borrowing and lending, and by lawyers representing their respective interests, and there seems to be a consensus that these changes are progressive. Thank you, Mr. Speaker.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Mount Scio
- Bell Island.

MR. BARRY:

Mr. Speaker, by and large these amendments are desirable; it is to improve the practice for foreclosing upon mortgages, ensuring more adequate notice to those who may be affected by such foreclosure.

There are two points that the minister might keep in mind. First of all, it would seem that this act will come into effect immediately upon passage, or third reading and endorsement by His Honour the Lieutenant-Governor. It perhaps should be that this be by proclamation to avoid problems with those foreclosure procedures that are already underway. If this bill is passed in the middle of those, it is going to mean that we have a new law applicable after expense has been gone into and various things have happened in these previously commenced foreclosures.

I am wasting my time talking. There are points I would like the minister to pick up.

AN HON. MEMBER:

I am listening.

MR. BARRY:

The minister might consider having the bill come into effect on proclamation. That could be an amendment that might be done at the Committee stage, and then give public notice as to when it will be proclaimed so that foreclosures do not start and, then, when they are halfway or three-quarters of the way through, have a different law apply which might cause some confusion.

The second point: I noticed when reading the December, 1987, **Canadian Bar Review**, an article which deals generally with the power of sale across Canada. The Leader of the Opposition referred me to the same article a moment ago. In Newfoundland the practice has developed, and it seems to have been accepted by the courts, that the mortgagee, the person to whom the money is owed, can bid in at an auction. When there is a sale by public auction, the mortgagee has been allowed to bid in and acquire the property for the amount of his bid. Often the bid will be the amount of the mortgage. This could be an undervaluation of the property.

Now in Britain, where our Conveyancing Act came from, with very similar if not identical language, the courts there have said that a mortgagee is not allowed to bid in because the mortgagee is in a trustee position, and a trustee is not permitted to take advantage of his trust for his own personal gain. This act seems to contemplate that a mortgagee is allowed to bid in. I do not see it specifically spelled out in any of the sections, but in Section 6.4 (2) it says, 'Where title to the mortgaged property is conveyed to the mortgagee or where title is transferred to a mortgage insurance company, there has to be an accounting sent to the mortgagor...' the person who owes the money. Perhaps the minister might give consideration to whether court approval might not be desirable in the case of a mortgagee buying in in order to ensure that fair value is obtained on the foreclosure for the mortgagor, and that the holder of the mortgage does not get to acquire the property at a deflated

value.

MS UFRGE:

Clause 1 of the act requires that (inaudible).

MR. BARRY:

Yes, that is an improvement. Where the sale is less than 75 per cent of the appraised value of the property, that is a good improvement and that, to a certain extent, will improve the situation, but I am not sure that it completely deals with the matter and the minister might give some thought to that point. I suspect that it has not been dealt with directly in the legislation because it has been assumed that this is okay. Although it is a long standing practice and it seems to have been accepted by the courts and the practicing Bar and the business community, for that matter, it is a very real question as to whether that practice was proper and whether it might not be challenged in the courts in the future. So perhaps the minister could avoid some unnecessary litigation if that was spelled out a bit more clearly.

With these few remarks, Mr. Speaker, I believe we can support the principle of this Bill.

MR. SPEAKER:

This is Thursday and we have three questions for the Late Show. The hon. the member for Gander is not satisfied with the answer to his question on the road agreement.

The hon. the member for St. Barbe is not satisfied with the answer given to his question by the hon. the Minister of Justice.

The hon. the member for Twillingate is not satisfied with the Minister of Fisheries' reply

to his question on the fish glut.

MR. SPEAKER:

The hon. the leader of the Opposition.

MR. WELLS:

I just want to emphasize and ask the minister between now and Committee stage if she would have her officials take a look at it. The thing that is different where a mortgagee is buying in, as the hon. the member for Mount Scio - Bell Island (Mr. Barry) said, is the mortgagee is really in a trustee position. A mortgagee exercising a power of sale is in a trustee position and should not be allowed to buy in without court approval.

AN HON. MEMBER:

The 75 per cent rule is there.

MR. WELLS:

Well, 75 per cent rule or not. The 75 per cent rule applies to any sale. In the case of a mortgagee in possession exercising the power of sale they really acting as a trustee and they should not be allowed to buy in without specific court approval.

So if the minister will take a look at that, we can probably propose the amendment.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, it is our old friend The Conveyancing Act here again, the one that I, in the Fall of 1985, attempted to introduce an amendment to. I should inform the minister here that when we get to Committee stage, I intend to resubmit the amendment at that time so that everybody will have a chance to see the problem that

exists here, since it is quite evident that the private member's bill they have on the Order Paper is not likely to be reached until perhaps a month or two following.

Actually, it is quite appropriate, since the minister is introducing amendments to The Conveyancing Act to make it more fair to individuals who have taken out mortgages, that we do not just go half a loaf on our amendments here, but we go the full distance and bring ourselves up to the level of compassion that currently exists in the great Province of Alberta, not always known for its broken-hearted liberalism, but in this situation it is something we should emulate.

Mr. Speaker, having the privilege of representing the district which has probably had more defaults on mortgages than all the rest of the Province combined, I feel I am in a unique position to address this particular piece of legislation, and to do that I would just like to go back over a few bits and pieces about what has occurred in Labrador West, in Labrador City primarily, but also in Wabush to a certain extent, and the things that may occur in other parts of the Province, especially those parts of the Province which are by definition single industry towns which depend on one particular industry in order to be economically viable, and what happens to those towns when the industry they have falls upon hard times and you end up with economic situations which occur virtually nowhere else in the Province.

I would like to mention it, because I think, to a degree, this Province is really a collection of single industry towns with a few exceptions, such as Corner Brook

and St. John's, and probably one or two other towns in the Province which can actually say they have a diversified economy. So, quite frankly, all towns in this Province are subject to the same kinds of things that may occur.

The background is as follows: In Labrador West, in 1981 and 1982, the price of housing had gone up to an extremely high level, that which was probably not sustainable. There had been a tremendous demand for housing that pushed the cost of very simple, non-elegant bungalows, which were probably reasonably priced at \$25,000, up to \$50,000, \$55,000 and \$60,000. At that time, the Canadian Mortgage and Housing Corporation, CMHC, and the Mortgage Insurance Company of Canada, MICC, being the two mortgage insurers in Canada, were insuring mortgages for the people of Labrador West so that if an individual had moved there in 1981, had bought a house for \$50,000, got an 95 per cent mortgage, which he was capable of getting, they would then owe maybe \$47,000 on the particular structure.

Unfortunately, as everybody knows, a combination of what I consider terrible economic policies followed by governments of the free world, the United States primarily, followed by Canada, pushed interest rates up to unprecedented levels and there was a tremendous collapse in a certain number of industries, one of which was the manufacturing of cars and, therefore, less steel was needed. When less steel is needed, less iron ore is needed, and the tail of the entire economic whip was in Labrador West and, as a result, we saw a total of about 1,000 men laid off between the Spring of

1982 and perhaps the middle of 1983.

When that occurred, these houses which were worth in the range of \$55,000 or \$60,000 as recently as a year ago, all of a sudden were put on the market by individuals who were laid off and had to go elsewhere looking for work. When you have a community in which up to about a quarter of the work force is laid off and they all put their homes on the market at the same time and there is no other foundation for the economy, what you end up with is a tremendous oversupply of houses on the market and no demand whatsoever. As anyone who has taken a first year university economics course knows, when that occurs the selling price on a market equilibrium drops like a rock, to the point where those \$50,000 or \$60,000 homes were selling for \$20,000 or \$25,000, and, in some instances, as low as \$15,000.

The reason I enter that in here now is because at that point, when the individuals left, they had no option whatsoever; there was no other jobs available in Labrador West, so they had to go and look for employment back on the Island here, in Ontario, in British Columbia, or wherever they could find it. When they put their houses on the market, they realized that the \$45,000 or \$47,000 mortgage they had on these homes would not cover the \$15,000 or \$20,000 in equity that was left in the homes themselves. Now I think most of the people in this Province, except those who are intimately concerned with The Conveyancing Act and the obligation it undertakes, would have thought, well, that is fine. You give up your house, the individuals would then lose it,

the bank would take it back, and it would then work something out with the insurance company that insured their debts and everything would go on from that point.

Unfortunately, one of the little known things about The Conveyancing Act is that you are not just putting up the property when you sign a mortgage on it, you are also putting up your personal credit, and your personal credit in this case became the major injury or the major victim of this particular collapse in the housing market. What happened then, of course, was we had individuals who gave back their homes, lost the deposit they had on them, lost whatever equity they had put in the homes themselves, and were then in a position where they found out, when they had moved back to the Island somewhere, that they still owed perhaps \$30,000 on the house that they no longer owned because it had gone up to be sold. It was sold, and obviously it went down to whatever market value was at the time.

That meant that there were upwards of 1,000 individuals from Labrador West who were in a position of not only losing their jobs, not only losing their equity in their homes, but also, at the same time, carrying away with them debt levels they never thought they would ever have to carry.

Mr. Speaker, knowing that was the problem, in the 1985 session of this House of Assembly, I proposed a piece of legislation called Bill 100, which was an amendment to The Conveyancing Act, which would have brought us in line with the practice in Alberta in which, instead of individuals being personally liable for it, the

limit of their liability is for the actual facility itself. In the case of a house, it would mean once you have lost the house you are then free of any other obligation under this particular piece of legislation. If we had a situation like that, these several hundred people who eventually were caught with this obligation would have been much better off.

The provincial government chose another alternative: Their alternative was to make a special case of the individuals who were laid off in the 1982 - 1983 time period, to negotiate with the banks, and more specifically with the Mortgage Insurance Company of Canada, which is the major group holding the mortgages, and to work out a settlement based on fifteen cents on the dollar, whereby MICC and a number of other banks in the case of these trailer loans, which were also included with it, would be paid off under this particular agreement. Quite frankly, that worked reasonably well, especially for those individuals who knew about it in advance. Unfortunately, there were other individuals who had moved to B.C., who had move here and elsewhere, and did not know that this recovery program was available and, in some instances, missed the boat. That was unfortunate but that was not, in my opinion, the worst of the damage, which brings me, Mr. Speaker, to June of 1988, which is the time we are at now. The reason I wanted to tell the Minister of Justice that we would be bringing in that amendment is because the problem has not disappeared. We are still in a situation where individuals in my district have mortgages of perhaps \$40,000 or \$50,000 on property that is worth, in some instances, \$25,000, \$20,000, and \$30,000.

Fortunately, over the last two or three years we have had some recovery in the real estate market, so that the market value of these homes now comes closer and closer to the actual mortgage value of the homes themselves but it still has not caught up.

The reason I mention it, Mr. Speaker, is that if we do not address the problem, it may reoccur and may reoccur on the same dimensions as it was before. Currently, in the last six to eight months, the Iron Ore Company of Canada has rehired up to 200 individuals in Labrador City and we now have a considerable mini boom, you might say, in terms of real estate. Now, our mini boom is different from elsewhere, because there are still probably 400 or 500 empty housing units in the area, and what has happened is instead of \$20,000 or \$25,000, it is now pushing up to \$30,000, \$35,000 and \$45,000.

But the precariousness of the single industry town still exists. We are still at the point where if the Iron Ore Company of Canada and Wabush Mines, or either one of them, were to decided to pull the plug on their operation, which they have threatened at times in collective bargaining especially, then we would still have many thousands of homeowners who would be caught in the situation where not only would they lose their jobs, not only would they lose their homes, but they would also carry with them a heavy debt load off into whatever place they may go in order to try to rebuild their lives.

I say that because I am now getting a dribble of problems which still exist in my district with regard to this situation, in

that it concerns people who are retiring, people who are laid off because they are disabled, and other individuals who wish to, because everybody does, apply for a job somewhere else in the universe, and work somewhere else. When they do that, they find themselves caught in this box of our making, in that The Conveyancing Act has no trapdoor to allow these individuals out and they will end up in a position where they may have to carry with them anywhere from a few thousand dollars debt to maybe a \$10,000 or \$15,000 debt. Despite the fact that they have given up all the equity they put in their homes, all the mortgage payments they made, sometimes for six, seven, eight or ten years, they are still carrying to their new employment a situation which, in my opinion, is still not tolerable.

I am hoping that government, in the last two and a half to three years, has had a more enlightened attitude toward it. I see the lot of very progressive legislation we have on the Order Paper this time, and I am hoping a lot of it is the result of the Minister of Justice's lobbying efforts with her somewhat more conservative compatriots in Cabinet. I am hoping, at this point, that they will look at that particular piece of legislation and realize that it is the sensible solution to the problem; the one that Alberta has had since the 1930s, the one that has protected their individuals in the single industry kind of towns that exist in the province of Alberta, and, of course, exist here not only in Labrador West but in other places.

I know, for example, that currently in the district of Vaskapi, in Happy Valley - Goose

Bay, there is a building boom on right now and that bulding boom is causing people to invest sometimes up to \$100,000 in homes; I understand there are very nice homes being built in new subdivisions in Happy Valley - Goose Bay. Mr. Speaker, everybody knows Northern towns like that, which are quite isolated, are very vulnerable to fluctuations in policy making which may be made halfway around the world.

Stephenville, for example, which I am quite familiar with, was virtually destroyed in the 1966 period by decisions made by people in the Pentagon in Washington. The same kinds of decisions made in legislatures in West Germany, the Netherlands, Britain, or made by the Americans in Washington, can also have a devastating effect on places like Happy Valley - Goose Bay. If they decided to change their policy, change their training programs and so on, change their intentions to continue on, then these \$100,000 homes in Happy Valley - Goose Bay would come into the same kinds of problems as the ones we had in Labrador West.

For example, if Abitibi-Price finds out in ten or fifteen years that it has no more wood and it has to close down one of its mills and decides that on the balance it has a better operation in Grand Falls than in Stephenville and closes the Stephenville mill down, we end up with a layoff of 200 or 300 people. I am not proposing it or hoping that it occurs, but I am saying to you, Mr. Speaker, that the possibility exists and then the people of Stephenville, Kippens and that area, are in the same difficulty. The same problem exists there, where they may end up with the value of their houses

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MR. SPEAKER:

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

MR. J. CARTER:

I would rather like the leader of
the Opposition to address this
question. It is quite a serious
question. If, for instance, the
liability of a person who is
getting a mortgage is limited to
the value of the structure or
thing that he gets mortgaged, then
it may turn out to be very
difficult to raise the money to
buy it in the first place. In
other words, anyone in a position
of lending money, any institution
that is in a position of lending
money, likes to have their money
as protected as possible.

In some of these one industry
towns, if there is a possibility
or a fairly reasonable danger that
property values could plummet,
then what is meant to be an
amendment that would save people
from this difficulty may turn out
to be one that could prevent them
from getting the mortgage in the
first place, because the lending
agency would not feel that it was
adequately covered. I would just
like that question to be addressed.

MR. SPEAKER:

The hon. the leader of the
Opposition.

MR. WELLS:

Technically, I suppose, it might
be a deterrent to some mortgage
companies lending it, but that
deterrent is there now if the
person is not credit worthy. The
agency that is lending the money
recognizes they usually only loan
up to 75 percent of the value. If
they get some mortgage company to
insure it, they will go up to
about 90 percent of the value.
But they know that for all

practically purposes they may well be confined to that, because if that is all the individual has, they can sue and the individual goes into bankruptcy and that is the limit of their claim in any event.

So I doubt very much if it is likely to deter many mortgage companies from making funds available, they would base it on the percentage of the value in any event.

MR. SPEAKER:

If the hon. minister speaks now, she will close the debate.

The hon. the Minister of Justice.

MS VERGE:

In speaking to close the debate I would like to say at the outset, to get it on the record, that I do have some technical amendments to this bill which I will be proposing at Committee stage, and I will give a copy of the proposed amendments to the official Opposition and the NDP so that they will have a chance to go through them ahead of time. What I will do now is deal with the comments made by the official Opposition and the member for Menihek.

The official Opposition made two suggestions, one, that we delay proclamation to accommodate transactions in progress and give lawyers and parties enough notice to adjust. I will take that up with the Law Society. The Law Society has been consulted about the bill, but perhaps the point did not arise in the discussions. But that seems to be an important practical consideration which I will certainly consider.

The second suggestion made by the

official Opposition is that we amend the bill to provide that a mortgagee bidding in in an auction or a sale proceeding have to get court approval for the mortgagee to succeed in closing the purchase. To me, that seems to be quite a reasonable suggestion and I will be glad to consider that one as well.

As for the more radical proposal of my friend from Menihek, I will have to say that the administration differs with his approach. He cites the Alberta model, but he does not tell the full story about Alberta.

As I understand it, in Alberta the law allows mortgage lenders the option of seizing a property or suing on the personal covenant of the borrower. So the lender, in the event of default, may go after the house or property and have to settle for that, even though the value may have dropped, or the lender, as I understand it, may sue the borrower for the full amount outstanding. It is an either/or situation, I am advised.

In any case, the change proposed by the member for Menihek represents quite a radical interference with the law of contract. Our administration has opted to stay with the mainstream of the Western World in continuing to honour contracts entered into freely by individuals, and to respect the respective rights of parties to contracts.

In doing so, we feel, as the member for St. John's North suggested, that the interests of consumers and borrowers are taken into account. To carry out the suggestion of the member for Menihek may, indeed, lead to the supply of credit drying up or loan

conditions lightening. I suppose people may well ask, 'Why should a borrower be able to walk away from a property, perhaps after having neglected the property and contributing to the devaluation of the property? Should there not be an obligation on the borrower? Should not the borrower have to be accountable for the full extent of the debt?'

Having said that, there are special cases such as the Labrador West experience of a few years ago. I think our administration was very compassionate in dealing with that special problem situation. After setting up a task force to inquire into that situation and meet with property owners there, as the member did acknowledge, we negotiated with MICC and the other creditors and worked out an arrangement that was quite satisfactory to householders in that unfortunate situation.

As a matter of policy, our administration will be carrying on with respecting the traditional law of contract, and dealing with special problems, such as Labrador West, when and if they arise.

Mr. Speaker, with those comments, I move second reading of this bill, "An Act To Amend The Conveyancing Act."

On motion, a bill, "An Act To Amend The Conveyancing Act," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 21)

MR. SIMMS:

Mr. Speaker, we will carry on the debate on Order 10, Bill No. 31.

Motion, second reading of a bill, "An Act Respecting The Public Library Service In The Province."

(Bill No. 31)

MR. SPEAKER:

The hon. the Minister of Culture Recreation and Youth.

If the minister speaks now, will close the debate.

MR. BUTT:

Mr. Speaker, I thank hon. member for their valued input into the amendments proposed, specifically the hon. the member for Fogo and the hon. the member for St. John's East.

AN HON. MEMBER:

No, John, (inaudible).

MR. BUTT:

I am sorry. Oh, the hon. member for Eagle River.

MR. SPEAKER:

The hon. the member for Eagle River.

MR. HJSCOCK:

Mr. Speaker, with regard to the Public Libraries Bill, we are pleased, number one, that NAPE has negotiated with the employees of the libraries, so much so that basically the increase in funding for libraries this year is almost \$4 million, which basically goes into salaries.

The minister's department did review of the number of hours that libraries were open in the Province, and if they were being used then their hours were extended; if they were not being used, then their hours were back. Mr. Speaker, I think should be the other way around a publicity program should have been implemented to encourage people to use the libraries which are not being used.

For example, down in L'Anse-au-Loup and Cartwright, Labrador, two very small communities, the libraries are being used by the schools and by the communities at large, yet their hours were cut back. The concern that people have around the Province about the cutback in hours has to do with the fact that we have a very high illiteracy rate in this Province, probably the highest in Canada, on which government has taken some action. Some groups in St. John's, for example, applied to CFIC and asked for about \$160,000 so that they could train people to work with the illiterate in St. John's. That was turned down by the federal government.

I realize the restraint program is still in effect in the Province and that various things have to be cut back, but surely one of the things that should not be cut back is public library hours. Not only that, but the community of Port Hope Simpson and other communities in Northern Newfoundland and Northern Labrador, in particular, are wanting to expand, but they cannot get any money from the provincial Public Libraries Board to expand. So I would ask the minister if he would look at that.

The bill itself is a straightforward housekeeping bill, which just changes names and makes sure that people serving on the provincial board are already on local boards. It is a matter of straightforward legislation, but it gives the Opposition and the media the opportunity to focus in on the boards.

The minister claims that there is so much money being given to the library boards, but if you break it down, you will find that most

of it is for salaries. We also find, Mr. Speaker, according to even the largest libraries here in the city, that they are having great difficulty acquiring new books and periodicals because of the amount of money allocated for them, and, therefore, they have to be very selective.

There was an interview on CBC with some librarians and they said it is not only critical but they cannot afford to get into the types of books they would like to get into, so, therefore, they have to be more selective.

I totally agree that library boards have to be involved with the communities and the communities have to be involved with the library boards. If the communities do not get involved with the library boards, and the town councils, and give them extra funding, then the people cannot just turn and look to government for additional money for the library boards themselves. The communities and individuals have to get involved.

I would ask the minister if he has looked into the possibility of having a book drive throughout the Province for the provincial library boards and local boards, where local residents are encouraged to contribute books to the libraries? I think the minister could take that initiative by way of advertising, because he does advertise things in his department.

Mr. Speaker, in concluding, we are disappointed that the library hours are cut back in rural areas, and we would ask the minister to reconsider that move.

And, we also ask the minister if

he could put on a provincial drive for a public awareness of how the public libraries are very important to this Province. With the high illiteracy rate in the Province, the general public at large have to be aware of the libraries. The general public at large have to be aware they also have a financial responsibility to them.

Maybe the Lions Clubs, service clubs, or maybe the church groups can get involved and help some of these libraries in rural areas, in particular, who are having difficult problems.

I hope the Minister of Education (Mr. Hearn), and the Minister of Culture, Recreation and Youth (Mr. Butt), in particular, will have a joint connection with each other to fund libraries in rural areas, basically the school libraries, and a lot of the children who are using the public libraries.

I ask the minister if he would address those.

MR. SPEAKER:
If the minister speaks now he will close the debate.

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

MR. BUTT:
I thank hon. members for their input.

I have a couple of questions to answer for hon. members.

SOME HON. MEMBERS:
Oh, oh!

MR. BUTT:
I will only be a minute, Mr. Speaker, if hon. members agree.

MR. SPEAKER:
Is it agreed to stop the clock?

MR. HISCOCK:
A point of order, Mr. Speaker.

MR. SPEAKER:
The member for Eagle River.

MR. HISCOCK:
I realize it is the Late Show and we are talking about public libraries in the Province, we are talking about the rate of illiteracy in the Province, and in thirty seconds I do not think sufficient.

I do not think we are necessarily going to kill the Bill by the minister approving it another day with five minutes.

MR. SPEAKER:
Order, please!

MR. BUTT:
I move adjournment then, Mr. Speaker.

MR. SPEAKER:
The debate is adjourned by the hon. the Minister of Culture, Recreation and Youth.

MR. SIMMS:
You should get together on there. Your people said okay.

Debate on the Adjournment [Late Show]

MR. SPEAKER:
It is now for 4:30 p.m. and I will call on the hon. the member Gander.

MR. BAKER:
Thank you, Mr. Speaker.

I asked a question to concerning this **Toward 2000**, memorandum of understanding sig

between this government and the federal government.

When documents are signed, I am a firm believer they should be very carefully examined and should not be looked at from the point of view of, 'What can we sell? What can we say that is connected with this document that will go over in the Province?' To sign one thing and say something else: 'Can we get away with that?' I do not believe that is the way that agreements should be signed, with the view to signing one thing and then trying to say there is something else there.

The question I asked today, Mr. Speaker, concerned one specific clause in this memorandum of understanding, this **Toward 2000**, because in a question on Monday I was told by, I believe the Minister of Transportation, that this money would be over and above, and on top of any other money that would be coming with regard to transportation. I believe that is what I was told.

However, Mr. Speaker, that obviously is incorrect. Throughout this whole agreement the idea is that this is a comprehensive agreement which will satisfy the transportation needs of this Province up till the year 2004. The intent is that this agreement itself will provide adequately for the transportation needs.

Mr. Speaker, Section 10 (1): "These arrangements are offered herein, by Canada, as a transportation package intended to address the parties concerns to provide a full and effective transportation service."

Now, Mr. Speaker, that is what

this agreement is suppose to do. Nowhere does it say that this is part of the Transportation package. Nowhere does it say that this will partially satisfy the need for a full and effective transportation service in this Province. It says a total, a complete, which says to me, Mr. Speaker, that this amount of money is all that we are going to get.

Now, this is just one instance where this is mentioned in the particular document, but it is mentioned in a couple of other cases which I do not have time to go into.

Mr. Speaker, what has happened here is people in this Province do not realize that yet, and I would say to the members opposite they not realize it because, instead of reading what is here, they are swallowing the propoganda.

MR. W. CARTER:

They are believing their own lies.

MR. BAKER:

What has happened here is that we have said to the federal government, 'Federal government this amount of money here is going to totally satisfy the transportation needs of this Province to the year 2004.' That is what it says. We have signed away the right for any other government between now and then to ever negotiate another transportation agreement in this Province to get more transportation money.

The member for Grand Bank (Mr. Matthews) can shake his head all he wants, but that is what it says in here. That is what is signed. It is about time members address this document that is the official document, agreement between the

federal and provincial governments.

It is no good for members opposite to get up and say, whoever is going to answer this, there is a reopener clause. There is no reopener clause in this at all. All the reopener clause says is nine years down the road, we are going to determine if freight transportation is comparable to the Maritime provinces. We are going to assess freight rate structure and we are going to assess progress in implementing the agreement.

Nowhere is there anything in this agreement that says we can increase the amount of money, if it is needed. We are going to assess and have a lot at it to see if progress is satisfactory. There is no reopen clause and we sold the shop in this agreement for the next fifteen years.

That is the question I wanted the minister to address and he skated all around it and said nothing about the specific question he was asked.

Thank you, Mr. Speaker.

DR. COLLINS:

Mr. Speaker,

MR. SPEAKER:

The hon. the Minister of Health.

DR. COLLINS:

Mr. Speaker, the hon. Minister of Transportation (Mr. Doyle) is otherwise engaged. I think he is actually carrying out some activities a member of the Opposition asked him to do and he was glad to do it, meeting with certain individuals.

Mr. Speaker, on this particular

point, the particular question the member brings up can be dismissed almost immediately. What he saying is that this agreement the end all and be all of federal input into transportation in the Province. Mr. Speaker, that ridiculous on the face of it.

The federal government has input into the transportation system throughout the country. If it is said, 'As of 1988, Newfoundland was the only Province that will forever more going to have input from the federal government,' it so flies in the face of reality that it is a true reflection of the disarray in policy terms of our priorities opposite. I mean, their policies are so ridiculous that they fall just by reading them. What the federal government have done - put in \$800 million as a top-up - give us for the first time the ability to complete within the next fifteen years a system that will be of national standards, top-up for that purpose.

Secondly, they have said that after a number of years - eight years, I believe, it is - after a number of years, if our present projections are not panning out the way they should, and we do know that it is difficult to project with total accuracy in a field of human endeavour, after eight years, we will review how we are going and we will make necessary adjustments.

Now, for the hon. member to say 'It is not written down there that we would give you \$5 million and in eight years, and so on that is stupid and silly because we are talking about understandings and agreements between governments, and governments had a responsibility

not only to their own credibility, but their own political survival that they keep to the letter and to the spirit of the agreements they entered into.

And finally, Mr. Speaker, not only the review, there is an arrangement whereby there is no impairment whatever of the usually expected and recognized federal/provincial agreements of all sorts, including transportation sorts.

Mr. Speaker, just let me read this out: 'Whereas both parties to this agreement have agreed that the funding provided by this agreement is incremental to any other funds the Province would be entitled to under any other - any other national - any other than this top-up, any other national or regional programs that may be undertaken by the federal government during the term of this agreement.'

Mr. Speaker, it is such a ridiculous argument, I will not go on with it any longer. I will just now try to make a brief comment on what is perceived as Opposition policy on that.

What the Opposition policy would seem to be is, they say, 'No, you should not have gotten into this agreement. You should have gone with a constitutional question.' We know the feds say there is no constitutional obligation. We ourselves have said we believe the feds position on that, but the Opposition would say, 'Despite believing that, we should get into a constitutional battle with the feds over this matter.'

Mr. Speaker, how long would it take to resolve the constitutional question? Two years? Three

years? Five years? Ten years? Twelve years? And what happens during all that time? We get nothing, the thing fades away and it is all gone.

That is Liberal policy as it is presently stated and it is so silly and so full of holes and so false, all you got to do is think about it a little and you know it is just hot air and puffery.

The constitutional question is immaterial in this context. We have an issue which had to be faced up to and faced up to pretty quickly or there is going to be nothing there. You cannot procrastinate over this. Procrastinate on legalism that the hon. leader of the Opposition and I am afraid the member for Mount Scio seems to have been somehow suborned into having the same sort of thinking on this, you get into legalisms and constitutionality and constitutional niceties on this, and we would be at it for ten years and at the end of the time, there would be nothing down there and there would be nothing done on the road.

So this government does not do that sort of foolishness and I hope the people of Newfoundland never put in a government which does.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker,

MR. SPEAKER:

The hon. the member for St. Barbe,

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker, the hon. Minister of Health knows what he just said is just not true. In fact, what he just said, Mr. Speaker, borders on the idiotic because -

MR. SPEAKER:
Order, please!

This question is directed to the hon. the Minister of Justice.

MR. FUREY:
Mr. Speaker, my question deals specifically with this issue to the Minister of Justice, and it stems from -

AN HON. MEMBER:
(Inaudible).

MR. FUREY:
That is right. The Minister of Justice will tell her colleague that by mutual consent of the Province and Canada as a country, if both referred it to the Supreme Court, they would have a decision within six months to a year, maximum. He knows that and the Minister of Justice knows that.

Mr. Speaker, what we have seen so far since this agreement was signed, and the whole Province is witnessing this, is a collective case of political schizophrenia.

Never, Mr. Speaker, have we seen such a flip-flop on an issue - collective, political schizophrenia. That is what we have seen. Let me demonstrate why, Mr. Speaker.

On October 18, 1979, Premier Peckford said, "Our policy on the railway is not based on nostalgia but on the certain fact that we need the railway in an energy expensive future. We need the railway to meet the demands of our offshore oil. We need the railway

to ensure that we have flexibility of intermodal competition direct water, truck and rail. Now, that is what he said in 1979

Listen to the flip-flop. In 1981 he said, "All my previous comments were just posturing. We have a case. I was engaging in deception as political posturing before." Mr. Speaker, I would see in the election of 1979, in the election 1982, and in the election of 1985, we also saw some pretentious political posturing, when he went running around the Province raising expectations.

Mr. Speaker, my question to the Minister of Justice (Ms. Verge) stems particularly from that because it was the Minister of Justice herself who, in a letter she made public April 22, 1981, written to my former boss in Ottawa, the member of Parliament for Humber - Port au Port - St. Barbe (Mr. B. Tobin), talk about wrapping yourself in the flag, Mr. Speaker, listen to what the Minister of Education at that time said publicly, in every single media in the Province: I quote "Are the people of Newfoundland entitled to both a good rail and good highway system as is the case in every other single province? Talk about spineless, hollow posturing, Mr. Speaker. We knew it then. We knew she was just wrapping herself in the flag in a poor imitation of her boss. We knew it then and we know it now. We see the flag unfurl now, Mr. Speaker. It was phony baloney then and it is phony baloney now

Which brings us to three specific questions and I will say them slowly for the Minister of Justice just in case she did not hear them properly in Question Period today. Number one, how did we

Newfoundlanders and Labradorians get from a position of having a constitutional right in 1980 under the Terms of Union, specifically, 31 (a), how did we get from having that right in 1980 according to the Premier of this Province, to not having that right according to the Premier of this Province in 1988? Where did the miracle occur?

What happened in those intervening years to cause the Premier, who was so adamant in his position, as demonstrated by his own comments on at least twelve separate occasions we have highlighted, where he says we definitely had a constitutional right, we definitely had rights under the Terms of Union, and he specifically referred to the particular Term 31 (a). How did we get from 1980 where we had a right to 1988 where we do not have a single right under that Term? That is number one.

Number two, Mr. Speaker, will the minister undertake to table the legal opinions, both that which the Premier based his comments on, because he did not haul the comments out of his pocket and say, 'Here, I will just deliver these comments,' it was based on a Cabot Martin report for the revitalization of the railway, wherein Mr. Martin, a competent and good lawyer advised the Premier, we have a constitutional right.

And, Mr. Speaker, my third question table the legal opinion from 1980 to 1988. And finally, Mr. Speaker, -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FURFY:

Could the Minister of Justice tell us, now that Newfoundland came down on both sides of this issue in 1980 and 1988, why she did not advise the government to refer it to the Supreme Court for clarification?

SOME HON. MEMBERS:

Hear, hear!

MS VERGE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, I am pleased the member for St. Barbe (Mr. Furey) referred to my letter of April 1981 to the member of Parliament for Humber - Port au Port - St. Barbe. I wish he had read it in its entirety because it was quite a good letter and it put a lot of hard hitting questions about the Newfoundland Railway.

Unfortunately, the answer took a long time in coming and was very vague and wishy-washy and completely avoided questions about the transportation needs of the Province and about the chances then for uplifting the railway so it might have whatever chance possible to be competitive.

MR. FUREY:

(Inaudible) rail and road.

SOME HON. MEMBERS:

Oh, oh!

MS VERGE:

Mr. Speaker, I would invite the member for St. Barbe when he next gets on his feet to finish the letter and also to reveal the very

late and short and vague response of his former boss.

MR. BAIRD:

I will circulate it.

MS UERGE:

Yes, perhaps he had a hand in composing that response.

His former boss, during that time and ever since, basically, has ducked questions about the railway and had nothing whatsoever to do in the Corner Brook area with efforts to give the railway a fighting chance.

Mr. Speaker, that effort was made by this administration back in 1979, 1980, 1981. We commissioned a reputable national firm of transportation consultants to study our Newfoundland Railway. They gave us a report laying out practical needs for capital investment to bring our railway up to the standard needed to compete with other modes of transportation.

Our government used whatever pressure we could bring to bear on the government in Ottawa, and CN, to carry out those recommendations. We were partially successful. Terra Transport did undertake a modernization program and converted to containerization and, for a relatively brief period of time, that was met with success since the Newfoundland Railway's market share increased, but that trend was quickly reversed and the market share had been declining steadily since then to about 20 per cent now.

The letter I wrote to the member's former boss actually itemized a lot of the points made in our provincial government consultant's

report, but he never answer those points. He avoided them completely and that was certainly noticed by the railway workers Corner Brook at the time.

Our government gave the railway our best shot. We made every effort, in the early years of our administration, to make the railway work and to prod the federal government and CN to invest in improvements in the railway. Of course, the federal government and CN did not carry out all the recommendations were urging and perhaps for that reason, or other reasons, it did not work.

We have to face the reality that Newfoundland Railway has had its day and instead of looking backward instead of agonizing over what might have been, we have to look ahead and we have to make provision for the future. The future transportation requirements of our Province lie in major upgrading of our highways and road systems throughout every part of Newfoundland and Labrador and upgrading our ports at Corner Brook, Port aux Basques, Argentia and St. John's.

Mr. Speaker, we have concentrated on that and we have succeeded in getting a very, very good top-financial package from the federal government to bring about the significant improvements to road and water transportation in our Province.

Mr. Speaker, the second question posed had to do with legal opinions. The legal opinions have already been distributed. I feel to understand why members oppose keep asking for more, but right here is a document written by one of the senior lawyers with the

Department of Justice giving opinions on the Terms of Union provisions dealing with the Newfoundland Railway. That is here for everyone to see.

The third question dealt with the Supreme Court reference. As the Minister of Health said, in the face of consistent legal advice we have gotten over a period of time and in the face of the position taken by the Government of Canada, especially in the face of transportation realities, we adopted the useful course for the people of our Province by negotiating an \$800 million financial package of top-ups for relevant transportation modes for our citizens.

SOME HON. MEMBERS:
Hear, hear!

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

MR. W. CARTER:
Mr. Speaker, today I put a question to the Minister of Fisheries. I suppose up until the past three years it was almost a perennial question concerning the glut problem in the inshore fishery and it appears that this year we are heading for a glut situation. My question, of course, to the minister was to find out what, if any, contingency plan the minister has to cope with that problem. I must say I was not too impressed with his answer.

Mr. Speaker, I do not think it is enough to say in the past two or three years we have not had occasion to worry about that problem. I think the Minister of Fisheries in this Province should always be prepared for that kind of a situation because, as I said

a moment ago, with exception of the past, I believe it is now three, it may be four years, we have had a glut problem.

Mr. Speaker, if there is one thing Newfoundlanders cannot afford it is the luxury of allowing foreign vessels to purchase surplus fish from our fishermen. While it might satisfy the problems of the fishermen themselves, certainly it does not do very much for the seasonal plants which are operating, by and large, far below their actual operating capability.

So, Mr. Speaker, I am not suggesting that we sell the fish to the French or to the Portuguese or to the Spaniards. We all know that in all cases there are ample reasons why ships from three countries would not be acceptable.

Mr. Speaker, certainly something must be done, because the trap fishery -

Mr. Speaker, would the hon. member for Bellevue (Mr. Callan) mind remaining quiet while I make my five minute speech? He is an expert at sitting down, smirking and making snide, cute little remarks. Let him stand up and make a speech one of these days.

Mr. Speaker, I can tell the hon. member how I think the problem can be solved. I suggest he entice his Leader to take a five minute walk to Government House, -

SOME HON. MEMBERS:
Hear, hear!

MR. W. CARTER:
- dissolve this government and call a new election and maybe in time for the Fall fishery, we will have a solution in place.

Mr. Speaker, I am quite serious in that suggestion too, but there is no need why this glut problem should exist. If the minister were to pull the Dr. House report on the Royal Commission on Employment and Unemployment from the filing cabinet or wherever it is being shelved, there are recommendations in that report which, in my view, are worthy of very serious consideration on the part of the government.

Of course, one of the very worthwhile recommendations, I think, and in fact the minister is well aware, as in fact, I suppose, half of the members opposite in the election of 1979 were elected on the strength of a fishery development plan which included one of the recommendations contained in the House Royal Commission report.

This is just one of many recommendations. I think it is a quite legitimate one, and that is the provision of holding facilities in the Province where fish from the inshore fishery can be held in storage until it is needed by the seasonal plants during the off season. I know that is maybe an oversimplification of how it can be done but, Mr. Speaker, that is one of the possibilities the minister should explore.

Certainly, Mr. Speaker, when you hear stories about the Third World countries and people dying of starvation, how can we possibly justify in this Province dumping high protein food such as fish?

Of course, like I said, it is not new, so I am not suggesting the minister started this problem or is responsible for it. But certainly I think as minister he

is responsible to explore solutions to the problem and not to wait until the eleventh hour as he has done.

MR. SPEAKER:
Order, please!

MR. RIDEOUT:
Mr. Speaker.

MR. SPEAKER:
The hon. the Minister of Fisheries

MR. RIDEOUT:
Mr. Speaker, I do not expect the hon. gentleman to ever be impressed with an answer I got from him, so that does not surprise me. I told him earlier today I did not wait until the eleventh hour. I do not expect him to be impressed with that answer.

The fact of the matter is, Mr. Speaker, for several weeks the Federal Department of Fisheries and the provincial Department of Fisheries and the union have been attempting to identify solutions to a potential glut as they have done every other year, should it occur.

The hon. gentleman has a short memory in saying, 'Well, it's only two or three years ago.' In fact, I have been here for thirty years and this is the first time we have ever faced it. It has always been a crisis the other way. But it is a problem. Everything possible which can be done to alleviate the problem is being done.

We face some different circumstances this year than we faced in the past when there was a glut problem in the availability of vessels. We face some different problems than we faced five or six years ago when the

was a glut problem in terms of the utilization of plants for other species, in this case particularly, caplin.

There is also a matter of fishermen who can sell fish, but say it is not worth their while to gut it and therefore they are hampering their own efforts in that regard.

We are licencing every available piece of equipment or facility in the Province which meets standards where fish can be processed and salted.

So, Mr. Speaker, everything which can be done, is being done, and will continue to be done.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

It is now 5:00 o'clock, all those in favour of adjourning, please say "Aye". Those against "Nay".

Carried.

The House stands adjourned until 10:00 a.m. tomorrow.

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