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VERBATIM REPORT
(Hansard)

Speaker: Honourable Thomas Lush

The House met at 2:00 p.m.

Mr. Speaker (Lush): Order, please!

Statements by Ministers

Mr. Speaker: The hon. the Minister of Environment and Lands.

Mr. Kelland: Thank you, Mr. Speaker.

Hon. Members, forgive my voice today because I have a cold.

Mr. Speaker, Sunday, June 3, marked the beginning of Canada's Environment Week, a special time to focus on what Canadians can do to protect our country's natural heritage.

Environment Week was established by a 1971 Act of Parliament and includes World Environment Day on June 5, a day proclaimed by the United Nations to create an awareness of the earth as a global community, a community that is facing an unprecedented environmental crisis that knows no boundaries.

I realize, Mr. Speaker, that we may seem to be suffering from a surfeit of "Special" weeds, months, and days, but as the Minister responsible for the environment of our Province I feel that National Environment Week deserves special recognition. The hon. Members are aware, I am sure, that the environment has consistently shown in public opinion polls to be the number one concern of Canadians. That may have changed in recent time times, Mr. Speaker, at least on a temporary basis.

This year's Environment Week

theme, "The Environment - it's in our Hands", reflects the philosophy that everyone can play a part in reversing environmental damage and that all Canadians must make a commitment to protect and preserve our natural heritage.

Individuals often feel helpless when we speak of global warming, ozone depletion, rain forest destruction, hazardous waste, and so on. While no one individual can solve the world's environmental problems everyone can get involved.

One of the major environmental problems facing us in Newfoundland and Labrador is garbage. This is an environmental issue that we can do something about. While there has been co-operation between municipal governments, enforcement agencies, Provincial Government Departments, and residents of our Province in addressing this issue, there is a great deal more to be done unless we wish to see our beautiful Province become a giant garbage dump. There is no excuse for using the roadsides, woods, rivers, and ponds of Newfoundland and Labrador as if they were garbage cans. Anyone who can carry supplies to the woods on a camping trip can certainly carry their garbage back out. If a person has an old appliance or a piece of furniture that is no longer needed, a stream running through the woods is not the place for it. All communities have access to landfill sites that have special areas allocated for these items.

Mr. Speaker, I will be making an announcement in the very near future about a new anti-litter initiative by my Department that will help address the problem of littering in our Province, but I

am asking all Members of this House, and all citizens of this Province to make a special effort during Environment Week to try and clean up our Province and keep it that way in the future. Thank you, Mr. Speaker.

I should mention that the Pages will be distributing envelopes which contain environment T-shirts, buttons, litterbags and a booklet which will give some information to hon. Members. Thank you very much.

Some Hon. Members: Hear, hear!

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

Mr. Parsons: Mr. Speaker, first of all I want to thank the Minister for the copy of his statement. I certainly concur with all the Minister's concerns and aspirations. I heard him this morning speaking with a constituent of mine and he asked the constituent what would be the best way to get rid of kitchen garbage, and he said a compactor. I was thinking along those lines as I was driving along in my car. I said now what a way for the Government to improve upon the situation if the Minister is sincere, and perhaps offer some subsidy to new home builders and even to homes that already have been built in perhaps paying the cost of this expensive item. Perhaps this would be a way to show our real concern.

I believe that most of our people recognize the fact that the environment today is uppermost with a great majority of Canadians, and rightly so. But the thing that surprises me is in the last Budget there was less money for environment overall than

previous years. I know that the Minister's concerns are great and I know that what he is saying is the truth, but the point remains that his Cabinet, I believe, should have increased his spending authority to a great extent rather than make it a lesser amount, because there is a mammoth problem out there.

Mr. Speaker, I would also like to mention the car wrecks which are strewn around all our roads. I mean, it is a disgrace. Again, like the Minister, I am certainly concerned about our ponds, rivers and roads where people make a mess just because they are too lazy to pick up the material that they brought into the woods in the first place. I think it is a disgrace and I think that we should have better enforcement.

Mr. Speaker, in closing I think that we should have better education. I think that education, as far as our environment is concerned, should be started and continued at the school level. With that, Mr. Speaker, I thank you very much.

Some Hon. Members: Hear, hear!

Oral Questions

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

Mr. Rideout: Thank you very much, Mr. Speaker. I have a question for the Minister of Finance, but perhaps in the Minister's absence I will direct the question to the President of Treasury Board, the Government House Leader. The Minister will know that the payroll tax which was announced by the Minister of Finance in his

Budget several weeks ago, even months ago now, is due for implementation on August 1st and it will affect basically everybody, as we understand statements from the Minister, except those involved in the fishery, agriculture and forestry sectors of the economy. Could the Minister tell the House whether or not any arrangements have been made with hospitals, school boards and other like groups in the Province to insure that these groups are not, in a financial sense, negatively affected by the payroll tax? The Minister said there were going to be arrangements worked out. The question is, I guess, have they been worked out, Mr. Speaker?

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

Mr. Baker: Thank you, Mr. Speaker. As far as I know, the Minister has made the statement that these institutions will not be adversely affected in money terms by the payroll tax. I don't think arrangements have yet been worked out with these institutions.

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

Mr. Rideout: A supplementary, Mr. Speaker. Mr. Speaker, in view of the fact that the tax is due for implementation on August, 1st, which is a bit less than two months away, can the Minister tell the House, for the sake of those institutions who are still wondering, when those arrangements will be finalized so that those people can plan their Budgets accordingly?

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

Mr. Baker: Thank you, Mr. Speaker. I would hope they would be made fairly quickly. That particular Bill comes up for debate in the House as soon as it becomes available, and at that point, perhaps, these are the kinds of details we can get into, and I would hope arrangements would be made fairly soon.

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

Mr. Rideout: Mr. Speaker, a supplementary to the Minister.

In view of the fact that at least one school tax authority in the Province, and I am talking about the St. John's School Tax Authority, at least that Authority will be subject to the payroll tax because its payroll is in excess of \$300,000, can the Minister tell the House whether or not an arrangement has been arrived at that will ensure that the amount of money transferred from that school tax authority to the school boards will not be less than it would be because of the Government's payroll tax?

Mr. Simms: A good question.

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

Mr. Baker: Mr. Speaker, I will try to find out what is happening there and if, in fact, this is being taken care of. In view of the statements made by the Minister of Finance, I would assume that will be taken care of. If the Member wants, I can make sure there is some research done on this before tomorrow; and I can have a more definitive answer for him tomorrow, some more details.

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

Mr. Doyle: Mr. Speaker, I have a question for the Minister of Employment and Labour Relations. The Minister will remember that sometime ago, approximately about a month ago, I believe, I raised the issue here in the House of Assembly, in Question Period, of the state of the relationship between the Workers' Compensation Commission and the Appeals Tribunal. The Minister responded that the issue was being dealt with, that hopefully the Commission and the Tribunal could work out their differences without legislation being enacted. I ask her, is that still the case?

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

Ms Cowan: Thank you, Mr. Speaker. Yes, we are still working towards that, I will tell the hon. the Member for Harbour Main. We have been somewhat delayed in the meetings we planned to have with the chairpersons of the two groups, because they both have been out of town. But those meetings will take place this week, and we hope to deal with those particular concerns my critic raises as quickly as possible.

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

Mr. Doyle: A supplementary, Mr. Speaker. Can the Minister confirm that she has received a letter from the Workers' Compensation Commission stating that the Commission has now reached a crisis stage in the Tribunal/Commission relationship?

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

Ms Cowan: Thank you, Mr. Speaker. I think the word 'crisis' is probably too strong a word. They have written to me explaining some concerns they have, as has the Tribunal.

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

Mr. Doyle: Can the Minister confirm that in the same letter the Commission has asked that immediate action be taken by the Minister to arbitrate the crisis situation? And is she going to do that?

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

Ms Cowan: Thank you again, Mr. Speaker. The letter did make a request that the matter be looked into and, if necessary, some sort of arbitrator be appointed to look at the two groups. If I feel that step is necessary, certainly that will be recommended. At this stage I have not come to the conclusion that that is necessary, but it may well be.

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

Mr. Doyle: Can the Minister confirm, Mr. Speaker, that in the same letter the Commission's Board of Directors are requesting that Government immediately conduct an independent assessment of the Commission/Tribunal relationship, and would she, in answering the question, please indicate if she would table that letter she received?

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

Ms Cowan: I do not recall that particular point, but it could have been there. The letter was quite a lengthy one and I do not have it totally committed to memory. I would have to take under advisement whether or not the letter should be tabled. If the hon. Member has the letter, fine. However, I would not commit myself to tabling it until I have had an opportunity to look it over.

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

Mr. Simms: Mr. Speaker, I have a couple of questions for the Minister of Transportation. Before I do that, I want to ask the President of Treasury Board a question, after reading a startling comment attributed to him in today's edition of the Evening Telegram. I want to quote it very, very briefly and ask him if he would confirm it. It says, and this is the President of Treasury Board, "I'm hoping that after he" - referring to Mr. March, the President of NAPE - "throws his little tantrum and pulls the people out and makes them suffer for some ego trip, then hopefully we can start talking."

Can the President of Treasury Board confirm that in fact that is an accurate statement attributed to him? And wouldn't he acknowledge that this is a rather provocative statement for the President of Treasury Board to make and certainly not conducive to helping solve the present situation?

Mr. Speaker: The hon. the

Government House Leader.

Mr. Baker: Thank you, Mr. Speaker. Our attitude is not provocative. Our attitude is that we are very pleased we have the essential workers agreement, and we do wish the collective bargaining process now start. That is simply the position of Government.

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

Mr. Simms: Mr. Speaker, there must be something wrong with the President of Treasury Board's hearing. I did not ask about his attitude, I asked if he made that statement? Can he tell the House if he made that statement?

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

Mr. Baker: Mr. Speaker, my statement was released this morning and the hon. Member, I suppose, could read my statement, if he wants to read it. There was a conversation I had with a reporter, I guess it probably was the Evening Telegram, over the weekend. I cannot verify whether I used those words or not. There are occasions, Mr. Speaker, obviously, in the collective bargaining process, when these feelings are felt. However, Mr. Speaker, our position is as I stated it and as was released this morning in the release from Treasury Board, that we would like now that collective bargaining start. There has, in fact, been no collective bargaining up to this point.

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

Mr. Simms: Thank you, Mr.

Speaker. It sounds like the President of Treasury Board is getting his advice on labour negotiations from the Minister of Finance, trying to put both their feet in the same mouth. Anyway, we will see what the response is from the press.

I want to ask a question of the Minister of Transportation. The Minister met with independent truckers, their association, last December, I believe it was, over in Deer Lake, and promised to look into the situation that exists. Today we have over 200 truckers protesting just outside Badger, on the Government's Red Cliff road project. I presume the Minister has been checking on it.

I want to ask the Minister if he can tell us, since he has checked on it, no doubt, are the truckers correct when they say the main contractor, Lundrigans, told them they would hire local truckers on that project, and what is the Minister doing exactly to try to resolve this potentially explosive situation?

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

Mr. Gilbert: Thank you, Mr. Speaker. I am sure the question raised by the Member for Grand Falls is not a new one, it has been with us as long as we have had construction in Newfoundland. We have a situation where the local truckers, usually in the place - and there is always some sort of confrontation with the contractors. But what has happened now, it occurred the year before last and last year, is that there is a new form of technology being brought into the construction industry. I have met

with the United Dump Trucks' Association. I explained to them the position, that we, as a Government, would not be intervening directly or putting in legislation to legislate the contractors into having to hire local dump truck operators. The new technology people are afraid of, of course, is another kind of dump truck.

I must point out to the hon. Member that it is not the policy of Government to get involved in the direct negotiations between the truckers and the local people they are hiring anymore. It was our decision to get involved with National Sea on the Southside when they were closing the plant, because they were changing to a different form of technology.

But we have it in hand. I have talked to the United Dump Truckers' Association and to some of the contractors. I have a meeting lined up tomorrow with the executive of the Construction Association, and I have asked them to bear in mind that the local truckers have a commitment in the Province and have a commitment in their trucks, and that every effort be made to ensure that they are hired where possible.

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

Mr. Simms: I am sorry, Mr. Speaker. I almost fell asleep listening to the answer. Perhaps I will ask him a clearer question. Maybe the question was difficult to understand. I will ask him a clearer supplementary. This is a recurring problem, as he has mentioned. I am not sure they are interested in the past, they are more interested in clarifying it for the future. Last year we

even saw truckers and their wives jailed in certain situations.

Is the Minister aware of their specific request to set up a Committee of the House to review this entire issue and make recommendations that might hopefully improve the situation for the future? If so, is the Minister prepared to recommend that approach to his Cabinet colleagues?

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

Mr. Gilbert: Mr. Speaker, I am aware of the suggestion from the United Dump Truckers' Association that a Committee of the House be set up. I do not necessarily agree that this is the right approach to take to it. I think the one we are working on now is the right one for this year. And it seems, as the Member admitted, that it is a recurring problem, and it is one you get involved in when you have a change in technology. And this is what we are involved in right now, a change of technology in an industry. I realize the private truckers are there, and what this Government is trying to do now is sit down with the contractors to ensure that every effort is made to hire local truckers where possible.

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

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

If there is political will, I think there can be a solution found to the problem, quite frankly. That is my feeling on it. I will ask the Minister

specifically, will he, on an urgent basis, call in the three principal parties involved immediately, the contractor, the subcontractor, and the Truckers' Association, and sit down around the table with all three parties for as long as it takes to try to settle this issue? Will the Minister take some initiative, show some interest, and show some leadership? Will he do that?

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

Mr. Gilbert: Mr. Speaker, I have already told the hon. gentleman that tomorrow I am having a meeting with the Road Builders Association. I have had meetings with the United Truckers. I will be happy to have another meeting with them, but the situation being as it is, I see very little that could be resolved by the Government getting involved in a direct way in this. It is a situation they have to work out, bearing in mind that the Government is very responsible and responsive to the situation those truckers find themselves in. But it is not a new problem; it is one that has to be worked out, and we think that by the contractors hiring the local truckers where possible, it will solve the problem.

Now, it is very simple for the Members opposite to solve all the problems now that they are over there, but they were over here for seventeen years and did not solve them. We are trying to do the best we can.

An Hon. Member: Why don't you (inaudible) them all?

Mr. Speaker: The hon. the Member

for Fogo.

Mr. Winsor: Thank you, Mr. Speaker. My question is to the Minister of Fisheries.

During the Fishery Estimates debate, and, I think, even since then in the House, the Minister has indicated that there was a proposal for new management for caplin. Can the Minister confirm that for the 1990 caplin fishery there will be a new management plan in place?

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

Mr. Carter: Mr. Speaker, it is quite likely that there will be a new arrangement for the caplin fishery. Talks are now going on. In fact, today they are meeting, and met pretty well almost every day last week. I understand the Japanese buyers are coming in town during this present week, and both the union and FANL and others are looking at the possibility of a different type of management regime for this season, yes.

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

Mr. Winsor: A supplementary, Mr. Speaker. Since the mobile fleet takes quite a time to gear up for this fishery, getting nets out of the water and getting seines onboard and so on, preparation time is essential. I think it was last year this week that the fishermen started to move towards St. Mary's Bay. When does the Minister expect to have the details of the plan, and when does he expect to announce it?

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

Mr. Carter: Mr. Speaker, I think, certainly before this week is out, the whole thing will be put together. I would say before this week is out, yes, we will have the plan ready to announce.

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

Mr. Tobin: Mr. Speaker, I have a question for the Minister of Transportation, as well. As he is no doubt aware, there is a great deal of concern among the employees of Government Air Services as it relates to their future and the plans this Government has to disrupt that. I would like to ask the Minister if he can confirm that Government has made a decision to move Air Services from St. John's to Gander?

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

Mr. Gilbert: No, Mr. Speaker.

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

Mr. Tobin: Mr. Speaker, can the Minister tell us, then, when he will be making the decision?

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

Mr. Gilbert: I have no indication that any decision will be forthcoming.

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

Mr. Tobin: Is the Minister aware, then, that there is a letter circulating by the employees of Air Services, there is a petition signed, there is preference stated

as to where they work? I wonder if the Minister can tell us how many employees have sent this letter to him? Can he also tell the House if he intends to sit down with the employees? If they have no intention of moving Government Air Services, will the Minister sit down with the employees in question and explain it to them so they can stop worrying about having to uproot their families?

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

Mr. Gilbert: Mr. Speaker, I think the hon. Member is spreading more rumours than the employees of Air Services. It is rumourmongering. I certainly have not heard anything about it. I am sure the Member, again, has to have something, I suppose, to ask questions about, so it is good for him.

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

Mr. Parsons: Thank you, Mr. Speaker. Mr. Speaker, my question is also to the Minister of Works, Services and Transportation.

Last week, Mr. Speaker, the Minister gave his approval for the Outer Ring Road. Would the Minister confirm that in the roads to rails deal the start-up date for this project is 1991?

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

Mr. Gilbert: Mr. Speaker, I think that question was asked the Premier in my absence a couple of weeks ago, and he adequately answered it. He said, 'Yes, there

was no doubt we had made a decision that the Outer Ring Road was in the Roads for Rails Agreement, and there was a priority that had to be established. The officials of my Department are now working on it, and we will be only too happy to announce when we are going to start the Outer Ring Road.

As the Member is aware, it is released from the environmental assessment. We will be only too happy to announce when the first cash is going to flow, when we have finished with the assessment, and as to where the first priority is for the money that is going to be spent. But, I would point out again to the Member, there is \$10 million going to spent this year out of that Roads for Rails Agreement. Out of that \$10 million, most of it is being spent to four lane the highway towards Holyrood, another portion of it is going to upgrade the Argentinia Access Road, and the rest of it is for the road between Steady Brook and Corner Brook.

Now, next year, \$25 million is going to be spent out of that Roads for Rails Agreement. The priorities for that have not been established yet. When the decision is made for the priority of the start of the Outer Ring Road, I will be only too happy to announce it to the House.

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

Mr. Parsons: Thank you, Mr. Speaker. Will the Minister confirm that he will honor this schedule? Because I am led to believe that the Minister has already sent the letter of schedules to Ottawa. Will he confirm that in 1991 he is going

to stick to this schedule?

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

Mr. Gilbert: Mr. Speaker, I do not have a schedule.

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

Mr. Parsons: Mr. Speaker, that is self-explanatory. He is certainly not going to stick to any schedule.

Now will the Minister confirm that his announcement only was a stalling tactic to relieve the pressure coming from all areas as it pertains to the Outer Ring Road?

Also, I think in the Minister's wildest dreams he believes there might be a change in Ottawa within the next three or four years. If this were to happen, again in his wildest dreams he thinks that perhaps the money could then be reallocated, and that money authorized to be spent on the Outer Ring Road will go elsewhere. Would the Minister confirm this?

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

Mr. Gilbert: Mr. Speaker, unfortunately we do not deal in wildest dreams. We have to deal in practicalities, and I will make the decision when it is right.

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

Ms Verge: Thank you, Mr. Speaker. I have a question for the Minister of Education about the hospital schools outside St. John's he is intending to close.

Last week, in attempting to justify the Government's plan, he said that the average daily number of students at the Central Newfoundland Hospital in Grand Falls is six where the Department has employed one teacher; three in St. Anthony where the Department has employed one teacher; ten at Western Memorial Regional in Corner Brook where the Department has employed two teachers. My question is aren't these figures comparable to the average daily number of students and the pupil teacher ratio at the Janeway in St. John's where the Government plans to continue to employ thirteen teachers? And don't sick children outside St. John's have the same entitlement to continuing education as sick children in St. John's?

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

Dr. Warren: The answer is yes to most of these questions, Mr. Speaker. Yes, certainly children have the same rights. I did say last week - there is one thing the hon. Member missed - I did say we were taking a good look, as we planned to, at other options. We will be working with school boards to ensure that students who require educational programs while they are in hospitals other than the three or four mentioned will also receive these programs.

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

Ms Verge: Thank you, Mr. Speaker. A follow-up to the Minister of Education. If the Minister decides to put on school boards the responsibility of providing school services to children in hospitals outside St. John's, will his Department be

providing school boards in the location of the different hospitals with extra teaching units and extra resources to undertake this new service?

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

Dr. Warren: Mr. Speaker, being reasonable and fair, certainly if we ask school boards to do some extra work we will look at the implications of that for resources, including, perhaps, a partial teacher unit where needed, or teacher units, certainly.

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

Ms Verge: Mr. Speaker, my final question for the Minister of Education is why doesn't the Minister leave well enough alone? Why doesn't he allow the good schools at the hospitals in Grand Falls, St. Anthony and Corner Brook to continue, and address any deficiencies in other hospitals through other means?

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

Dr. Warren: Mr. Speaker, we have thousands of special needs students throughout this Province who are not now getting service. We looked at this program within the context of the tremendous need we have for extra programs and extra services, and we are going to ensure that students in all parts of the Province who need these educational programs will get them. We think we can do it better and cheaper through another means than through the present arrangement.

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

Mr. Rideout: Thank you, Mr. Speaker. Mr. Speaker, again I had another series of questions for the Minister of Finance, but, in his absence, I will go to the President of Treasury Board.

The President of Treasury Board will remember that a week or ten days ago we raised publicly in the House the issue of reducing opening hours for restaurant owners in Newfoundland and Labrador. At that time, Mr. Speaker, the Minister informed the House that he had not had any representation from the Restaurant Owners' Association. I am now aware that Hospitality Newfoundland and the Restaurant Owners' Association have made representation to the Minister and to the Government asking that this matter be reconsidered. Can the President of Treasury Board tell the House whether or not the Government is in the process of reconsidering this change the Minister announced a couple of weeks ago which will, in effect, put at least eight businesses in the St. John's metropolitan region out of business?

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

Mr. Baker: Thank you, Mr. Speaker. As the Member knows, we are not limiting restaurant hours. What we are doing is limiting the hours in which alcoholic beverages can be sold. I understand there is some concern. I don't know if the Minister has received this representation. If he has, then I suppose he will take it into account. The Government is now, at this point in time, not actively considering a further change. I know of no active process underway, a process in

consideration right now.

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

Mr. Rideout: Mr. Speaker, the President of Treasury Board must realize that by reducing the opening hours from 3:00 a.m. to 2:00 a.m. reduces by an hour the amount of time those businesses are permitted to be open in any given weekly period by so many hours and so on. Now, I want to ask the Minister -

An Hon. Member: (Inaudible).

Mr. Rideout: Yes, they are reduced by one hour.

Mr. Baker: We are not reducing their opening hours.

Mr. Rideout: Pardon?

Mr. Baker: We are not reducing their opening hours.

Mr. Simms: You are. From three to two!

Mr. Rideout: Yes, by an hour!

Mr. Baker: Reducing the - no.

Mr. Rideout: Yes, for the sale of liquor, Mr. Speaker.

An Hon. Member: (Inaudible) right, for the sale of liquor. Okay.

Mr. Rideout: So, Mr. Speaker, can the Minister, the President of Treasury Board, tell the House whether or not, in view of the statement made by his colleague, the Minister of Finance, that if there was representation from the Restaurant Owners' Association, Hospitality Newfoundland and individual entrepreneurs, that

Government would keep an open mind and review this decision, a decision that was taken without any consultation with the appropriate Association representing that industry, Mr. Speaker?

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

Mr. Baker: Mr. Speaker, thank you. We are always ready to examine any proposal that's put to us. However, I would like to say, Mr. Speaker, that if there are lounges which are operating under the guise of restaurants, then they have to follow the rules established for lounges if they are in fact lounges. As I say, we are open to suggestions from any body or any group who does not fit that category.

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

Mr. Power: Mr. Speaker, I have a question for the Minister of Energy. Last week, while I was doing some reading, I came across this very interesting document, this Liberal Policy Statement, and page two of it, the guiding principle behind your election last year, talks about hydro power, particularly in Labrador, access to Upper Churchill Power, and our right as a Province to be able to transmit energy across the province of Quebec. These two problems are detailed in the first paragraph, and in the second paragraph, Mr. Speaker, this Liberal Policy document goes on to say: 'Both of these problems could have been resolved if the Government of this Province had taken the right course in the first instance instead of seeking futile court confrontations with the Province of Quebec.' I would

like to ask the Minister of Energy how successful the quiet diplomacy method of the present Government in its relationships with Quebec has been so far; I want to know the status of the negotiations with the Province of Quebec as it relates to accessing Upper Churchill power; and, if the Minister has time to do so, would he also explain to us his progress in his negotiations with the Federal Government to get us our constitutional right to be able to transmit power across the Province of Quebec?

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

Dr. Gibbons: Thank you, Mr. Speaker. I thank the hon. Member for his question. The present status of hydro negotiations with Quebec is that since the new year - I will start since the new year - we have on average one meeting per month - the latest was the Tuesday before last. We have three more meetings presently scheduled. I do not remember the exact dates, but there is one in each of the next three months, June, July and August. We are continuing to make progress on the issues relative to further power development on the Churchill River. Included in that is the potential development of Gull Island, the potential development of Muskrat, and a potential upgrade to the Upper Churchill.

We are negotiating with Quebec only on this, although last August we did initially start our discussions with both Quebec and Ontario. Quebec indicated they wanted access to all the power that would be surplus to Newfoundland's needs, therefore, we are not at this time trying to negotiate for transmission across

Quebec per se. Part of the development will be a transmission line to somewhere in Quebec, probably to Montreal, to get the power into the Quebec Grid. If there is power available surplus to Quebec's needs at the time it is available, we have agreed to negotiate a sharing formula for any province therefrom as it goes to a third party, whether that party is Ontario or one of the American States.

Included in all this, of course, is the full package on the river. And we are not talking specifically about Upper Churchill power and the recall of that, but certainly we want to get the best economic deal we can.

Some Hon. Members: Hear, hear!

Mr. Speaker: Question Period has expired.

0 0 0

Mr. Simms: A point of order.

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

Mr. Simms: With respect to Presenting Reports by Standing and Special Committees. I am forced to raise a matter that I was reluctant to raise but it has gone on for far too long now. I need to get some clarification or answer of what is happening. It is with respect to the Committee that was selected months ago to deal with a review of the House rules, you will recall, the Standing Orders Committee it was called, I think, I am not quite sure. The Committee had several meetings and over a month ago had

reached a stage where it was prepared to go to its respective caucuses to get some indication from their caucuses as to where they stood, six weeks ago.

We took it to our caucus and our caucus gave myself and the Member for Port au Port, who were the Members on the Committee, direction as to how they felt, and we have been waiting patiently. We are wondering if the Government is not just trying to filibuster, delay it, and hope that the House will close so they will not have to address this issue perhaps until next year.

What exactly is happening, and when can we expect to have the report? Either the Chairman can respond or the Government House Leader? I know the Government House Leader wants to get on his feet, but the Chairman of the Committee is perhaps the appropriate one.

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

Mr. Baker: Mr. Speaker, I would be willing to let him answer as well. I just want to say that the reason for the delay is totally mine. We just have not had a chance to get around to it. I do not know if you would call it procrastination or the fact that I would like to have spent some time with it. It has come up in caucus, we have always had such an agenda that it has come up at the end, and I felt that there were not enough caucus Members around to deal with that and so on.

Some Hon. Members: Oh, oh!

Mr. Baker: One thing I can say to the hon. Member is that before the House adjourns we will have a

report of that Committee. As Members opposite know it is going to be quite some time yet before the House adjourns, but we will try to get it put together as quickly as possibly, hopefully, within the next week or so. But the Chairman can answer for himself.

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

Mr. Simms: To use the infamous words of a well-known individual in this Province, perhaps the President of Treasury Board, after he throws his little tantrum, pulls the caucus Members out and makes them suffer for some ego trip, maybe we can get on to dealing with the report.

Mr. Speaker: Order, please!

I think the Chair has heard enough on this point of order. It is not a point of order. But, the point is well taken. We move on to the next item.

Notices of Motion

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

Mr. Baker: Thank you, Mr. Speaker.

On behalf of the hon. the Minister of Justice, I give notice that I will on tomorrow ask leave to introduce a Bill entitled, "An Act To Amend The Corporations Act."

Orders of the Day

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

Mr. Baker: Mr. Speaker, I would like to move to Order 34.

Motion, second reading of a Bill, "An Act To Amend The Retail Sales Tax Act, 1978 With Respect To Offshore Petroleum Development," (Bill No. 34).

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

Dr. Gibbons: Thank you, Mr. Speaker.

In the absence of my colleague, the Minister of Finance, who would have been introducing this Bill, it is my pleasure to introduce it. This is the first of three that we have on the Order Paper, regarding the implementation of the Hibernia agreement. The first two, as you all know, have been printed and circulated to all Members in this hon. House, and when we have debated and passed all three, we will have done all we need to do legislatively to implement the Hibernia agreement, when we do conclude it in the next few weeks, I hope.

This particular Bill, amending the Retail Sales Act, is implementing the Province's commitment, which was stated in the 1988 Statement of Principles, which is to reduce the retail sales tax rate applicable to the Hibernia project to zero on capital expenditures and to 4 per cent on operating expenses.

Over the last few months, we have worked out the details of our agreement and have put together this particular Bill. I understand that the Legislation Committee reviewed this Bill this morning with staff and have gone through it in detail, so I will not go into it any further, but

will try to answer any questions that come to me during the debate. Thank you, Mr. Speaker.

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

Mr. R. Aylward: Thank you very much, Mr. Speaker. I just want to have a few words to say on this, this afternoon, and confirm what the Minister just said, that the Legislative Review Committee dealt, this morning, with this, and another piece of legislation concerning the corporations tax offshore. We did get satisfactory answers from the staff of the Department of Mines and the Department of Finance, who explained to us in great detail what this Bill accomplishes in the offshore.

Mr. Speaker, one thing I was very pleased to hear them say, this morning, is that this legislation is more or less - or they confirmed it when I said it, at least - this legislation is crossing the "t's" and dotting the "i's" of the great legislation or Statements of Principle that was signed in this Province by a former Premier, namely, Premier Peckford and the Cabinet at the time.

Mr. Speaker, I was also very pleased to hear the staff of the Department of Finance and the Department of Mines say that the new Government has confirmed that this was a great piece of legislation before, because they have not tried to dicker or tinker with the Statement of Principle and they are pretty well working only on details now of that piece of legislation that was signed, I believe, in 1988. It gave me comfort, this morning, to hear the staff of both Departments suggest

that this legislation we are about to approve now, is only a continuation of the work that was done. The hard work was already done before, Mr. Speaker. Now the details have to be given to that hard work.

While I am speaking, one of the staff people who gave us some information this morning, Peter Kennedy, who is Deputy Minister of Finance, I believe, was one of the people who was instrumental in getting the Statement of Principle deal signed some years ago. He certainly is very knowledgeable about that. He and his team did all the leg work and negotiations and they did get a good deal. They worked under the direction of a former Cabinet, and thank God, it was signed before this Government took over, Mr. Speaker, because I would not have the confidence that the present Cabinet would hang in there so tough to get such a good deal.

Mr. Speaker, with those few comments on behalf of the Opposition, we wholeheartedly concur with this legislation and we wholeheartedly support what is being done, noting that the main work had already been completed in 1988 by a former Administration. Thank you.

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. the Member for Green Bay.

Mr. Hewlett: Thank you, Mr. Speaker.

I, too, would just like a few brief words on this. As my hon. colleague pointed out, this is essentially giving legislative effect to a great initiative of the former P.C. Administration.

It strikes me thought, as somewhat passing strange, that a poor Province such as ours could arrive at such an umbrella agreement, such as the Atlantic Accord, that allows for these sort of things, without the magic Triple "E" Senate in place, the Triple "E" Senate that is suppose to keep us from being poverty stricken forever and a day, a Triple "E" Senate without which no progress on a regional development basis in this nation can ever be obtained, yet here we have one of the best agreements that mankind has ever negotiated. Certainly, a small Province with a large Federal Government, formerly an extremely intransigent Federal Government, and here we have an umbrella agreement, and a piece of legislation coming under it, that gives in essence the Province of Newfoundland a constitutional right to have a real major say in the development and the revenue sharing from the offshore oil and gas.

Now, the hon. Premier, who is currently up on constitutional negotiations in Ottawa, stands in this House day, after day, after day, and says a Hibernia Agreement is impossible without a Triple "E" Senate, Hibernia agreements or anything of that nature, progress on a regional or local basis without a Triple "E" Senate, the Premier says, it utterly and totally impossible, and here today we pass a law which essentially celebrates the fact that between strong political leaders and people of goodwill you can have regional development of some significance, regional development that actually borders on constitutional change. If the Atlantic Accord is carried through to its ultimate, it will be enshrined in the Constitution, so,

Mr. Speaker, I find great difficulty when I watch hon. Members opposite go on forever, and ever about how we will be forever poor without a Triple "E" Senate. Well, Mr. Speaker, we got this one with a Liberal appointed Senate, and that could not be done, according to the hon. Premier, but we have it and here today we are giving legislative effect to it. It is also rather sad, Mr. Speaker, that the constitutional crisis that faces this country right now should indeed go for the worst. We certainly all hope that it does not, but if it should go for the worst, this agreement, I guess, and many other Federal/Provincial agreements could go by the boards, and nothing would come of it.

It is also rather curious to note, and in my partisan way I have to mention it, that the current forerunner for the Leader of the Liberal Party of this nation, who would be Prime Minister of this nation if he is successful in the polls, would not offer this Province an arrangement like the Atlantic Accord, or anything remotely similar.

An Hon. Member: He will be Prime Minister.

Mr. Hewlett: Well, Heaven help us, Mr. Speaker, if he will be Prime Minister, because then we are back to the days of Pierre Trudeau and handouts from Ottawa, where the Premier of this Province cannot sit down and negotiate an agreement of the sort that we saw. If what the hon. Member says is true the crowd up in Ottawa will give us nothing but scraps, Mr. Speaker.

As I said, Mr. Speaker, this is a tremendous accomplishment of

Federal/Provincial negotiating by strong First Ministers on both sides of the issues, but First Ministers willing to reach an accommodation in this nation, something Mr. Trudeau was not willing to do, something Mr. Wells is not willing to do, and it is not altogether curious that many commentators have likened Mr. Trudeau and Mr. Wells to each other, they are of the same ilk with regard to how this nation should develop.

Mr. Speaker, the Bill we are passing here today relates to an Accord that does not exist, it cannot exist, because we do not have a Triple "E" Senate.

Thank you, Mr. Speaker.

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

Ms Verge: Mr. Speaker, this Bill prepares the way for the start of our offshore oil development. It is a measure that has been initiated under the umbrella of the Atlantic Accord, and as my two colleagues have pointed out, that is an extremely significant agreement negotiated between the Peckford Administration and the Mulroney Federal Government following years of futile efforts on the part of the Peckford Government to get a comparable arrangement with the Trudeau Government.

The point I want to make, Mr. Speaker, is that it is ironic that the only real bright spot on our economic horizon now is the offshore oil development, yet just a year ago when the present Premier was campaigning for election in the televised leader's debate, he dismissed the potential of offshore oil development as,

and I quote, 'A Tory pipe dream.' The present Premier constantly belittled the prospect of offshore oil development. He constantly underestimated the significance of offshore oil development in terms of economic impact on the Province. Yet after a year of his being Premier, that is the only bright spot on the economic horizon of the Province. How ironic, Mr. Speaker.

In terms of other economic prospects our hopes have been disappointed. Over the last year we have seen a steady erosion of economic activity in all other sectors. We have seen a net loss of population, despite the fact that the present Premier, in campaigning for election, stressed his ability to bring back to the Province former residents who moved away to get jobs. He built up peoples' hopes about his ability to boost the Province's population. He dismissed the talk about offshore oil development, as a prospect for enhancing the economy. And a year after he has been Premier we see, number one, no talk on his part about out-migration because he has been absolutely useless in stemming the tide of out-migration. The net loss of population has accelerated in the time that he has been Premier. And his Government is pointing to offshore oil development as the only realistic short-term prospect for economic growth.

They have their Economic Recovery Commission in place. That Commission has created jobs. It has created a number of vice-presidents jobs, it has created some other publicly funded jobs. The bureaucracy has been boosted, but the Economic Recovery Commission is yet to stimulate any

private investment or fulfill it's mandate. Perhaps it is a convenient way of the Premier distancing himself from his responsibility for economic development and stimulation. Perhaps it is his way of passing the buck.

On all matters related to the fishery the Premier is constantly passing the buck to Ottawa, yet he resists any efforts to gain for the Province greater responsibility or control over the fishery. He rejects the notion of getting an Atlantic Accord for the fishery which would give the Provincial Government some influence over fish harvesting. He is content to let Ottawa keep 100 per cent control of fish harvesting. He is content to let the Federal Government retain total jurisdiction over our most important resource, the fishery. Presumably if he were Premier a few years ago we would not have the Atlantic Accord for offshore oil and gas.

My point, Mr. Speaker, is that life has many ironies. And two of the political ironies of the past year are the ones I pointed out, the fact that the offshore oil development, the Hibernia development that the Premier belittled and called 'A Tory pipe dream' is now the only hope of our people for an immediate economic improvement. As I say it is the only bright spot on our horizon. And the other point is that the Premier's election hype about bringing every mother's son and daughter back from the mainland is now just a joke, Mr. Speaker, because our out-migration is exceeding in-migration by a wider margin than ever. More people are leaving than are returning. Although sadly, more and more

people who are going from here to Ontario or Alberta in search of work, because they could not make a go of it at home, are finding it difficult to get work elsewhere in the country. And some of them are coming home more dejected than ever. The reality is that the economy is tightening up right across the country.

In Central Canada where wealth and economic activity are centered there has been a marked slow down. A friend of mine who practices corporate and commercial law in Toronto tells me that, while leading up to the last year most of her work involved securing borrowing for large corporations, now she is doing the flip side of that practice, she is acting in receiverships and bankruptcies.

So that explains why some Newfoundlanders leaving home because they could not find work here and going to Ontario in search of employment, which all along was relatively easy, are disappointed when they get there.

So, Mr. Speaker, this measure paves the way for the start of our offshore oil development for the Hibernia development. We hope that it proceeds this year. We need it now worse than ever, and it is ironic that what the Premier called a Tory pipe dream is now our fondest dream and may in fact be realized within a few short months. Thank you, Mr. Speaker.

Mr. Speaker: If the Minister speaks now he will close the debate.

The hon. the Minister of Mines and Energy.

Dr. Gibbons: Thank you very much, Mr. Speaker. I appreciate the

comments made by my three hon. colleagues. I agree that we did not go back to square one on this issue but we did conclude the negotiations that had been ongoing. And as the Member for Kilbride said, a lot of the people on the negotiating team are the same ones that were there before, and they have done an excellent job for us. We appreciate the hard work they have done over the last year.

I agree with the comments made that we have reached an excellent agreement on this particular aspect of it under the circumstances, and we are prepared to proceed.

On motion, a Bill, "An Act To Amend The Retail Sales Tax Act, 1978, With Respect To Offshore Petroleum Development," read a second time, ordered referred to a Committee of the Whole House on tomorrow.

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

Mr. Furey: Order 35, Mr. Speaker, Bill No. 33.

Mr. Speaker: Order 35.

Motion, second reading of a bill, "An Act Respecting a Reduction In The Newfoundland Offshore Area Corporate Income Tax," (Bill No. 33).

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

Dr. Gibbons: Thank you, Mr. Speaker. It is my pleasure, as well, to introduce this bill. It is implementing an agreement that has been reached relative to the determination of a Newfoundland offshore area corporate income tax

which will be the average of all provincial income taxes in Canada.

I have no great amount to say on this one either, but it was also discussed this morning by the Legislation Committee. So I will wait for some comments from my hon. colleagues on that matter.

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

Mr. Simms: Mr. Speaker, I just have a few brief comments to make on it and see if my other colleagues have anything to add. But I believe it is fair to say my understanding is that we do not have any great deal of difficulty with this piece of legislation. Indeed, it again was basically an initiative of the previous Administration, if I recollect, another fantastic Conservative initiative. And it is nice to see the Minister simply just following up and tidying up some loose ends that were left over.

The Leader of the NDP shakes his head. I am not quite sure what he means by that but perhaps he will tell me, I am sure. If he dares venture into our common room for a coffee again he might tell me what he is talking about.

But those are just a few brief preliminary remarks. Our critic, when he arrives back in the House, might have a few more observations to make so I will leave it to him to see if he has anything else to say.

Mr. Speaker: The hon. the Member for Green Bay.

Mr. Hewlett: Thank you, Mr. Speaker. I guess with regards to my earlier comments I could just say ditto and be done with it, but

I will not give them that satisfaction. Again we are seeing another piece of legislation flowing out of the Atlantic Accord. Of course, as I indicated earlier, an agreement which could not exist in a Canada without a Triple "E" Senate because there is no possible way under current constitutional law that any Government of Canada can undertake any initiative, in a given region or province, to bring about an improvement in economic conditions therein, or so says the Premier. Here we have a detailed tax measure relating to a tax treatment of the offshore area. Again, negotiated under a former PC Administration, under an umbrella agreement, that if you listen to the hon. crowd opposite could not possibly occur.

It seems rather strange, Mr. Speaker, that the hon. Minister of Energy to his credit, unlike the more partisan Members opposite such as the Minister of Social Services or whatever, has to some extent given the former Administration, in energy matters, credit where credit was due. The matter, for instance, of the Come By Chance Oil Refinery in our Estimates Committees on energy: he indicated that was a success story and to give credit where credit is due, take a bow.

The Minister of Development for quite some time after this new Government came to office, was in a complete and utter tizzy as to who and what was behind the Come By Chance Refinery thing. I think he had an allergic reaction to its success because it probably came from a former PC Administration. But I will bet you, even the Minister of Development these days is quietly sitting by and watching the oil refinery do well. And has

probably been told by his colleague, the Minister of Energy or other colleagues opposite, leave well enough alone, do not kick prosperity in the face, heavens knows what is facing rural Newfoundland right now. We need everything going that we can get going.

So I sincerely hope, Mr. Speaker, that the Hibernia Agreement goes ahead and this tax measure and other legislative and tax measures related to it come into play, and that considerable employment and long-term spin-off with regard to offshore activity occurs.

One worries, however, Mr. Speaker, in the current national climate, just what energy projects will indeed go ahead in the short to medium term. I sincerely hope that the current meetings on the go in Ottawa today lead to some sort of resolution to get this nation out of a degree of uncertainty. Uncertainty, which in economic spheres in the larger business spheres throughout the world, are no doubt very frightening. I could not, for instance, in my wildest dreams, if we have a total mess on the Meech Lake issue - Canada in a state of constitutional paralysis for the next few years - I could not foresee Mobile Headquarters in New York allowing their people to expend several billion of their dollars in an uncertain political climate. Of course, uncertain political climates lead to very uncertain economic climates. So I certainly hope that meetings ongoing do resolve the Meech matter and that this nation can get on with building its economy and trying to build a strong economy in the modern world.

I do hope, I suppose, on the local

scene as well, that the Meech matter can be put behind us and we can get on to requiring of this Government that they actually produce some economic activity rather than talk about constitutional matters. Our Premier has spent the better part of a year running around the mainland of Canada talking about the constitution. Well, back in my District people are leaving for the Mainland in droves. I can only hope, Mr. Speaker, that the constitutional impasse is broken and the constitutional matter is put together. Because if not, not only are economic matters on the local scene in danger, a major constitutional crisis in this country, could possibly provoke a recession in Central Canada.

Mr. Speaker, should that ever happen I would think that the tens of thousands of mothers' sons that the hon. the Premier talked about in the election campaign, would be coming home to live off the good graces of the Minister of Social Services. When you add those to the growing list of unemployed and destitute in this Province at the moment, the Government would have an increased population no doubt, but the economic activity from these people would be very low. So, as I say I do hope the constitutional crisis passes us by, Hibernia goes ahead, Mobile is assured that this is a strong and solid country, and will invest its several billion dollars in this particular deal, and as I say, the deal itself was worked out by the former Administration with the current Federal Administration, worked out in the absence of a Triple "E" Senate, a fine regional initiative, a fine local initiative - the ball was carried by the Province of Newfoundland - in essence, we did all the work,

the Maritimes got in on the deal and it became an Atlantic Regional initiative with regard to economic development in the offshore.

It is surprising, Mr. Speaker, when one hears the term, such absolutes, from the hon. First Minister on the other side, as such a thing, such a happenstance could never be, could never occur without your magic Triple "E" Senate. Well, Mr. Speaker, we have it without the magic Triple "E" Senate and we only hope and pray to God that the impasse over the magic Triple "E" Senate does not put the Hibernia Agreement, which comes under the Atlantic Accord, down the tubes. Thank you very much.

Mr. Speaker: If the hon. the Minister now speaks he will close the debate.

The hon. the Minister of Mines and Energy.

Dr. Gibbons: Thank you, Mr. Speaker. I accept the agreement of the hon. Members opposite and I am pleased that this is another building block and we hope, as my hon critic did say, that this agreement is signed this summer and that we can get on with construction this fall.

On motion, a Bill, "An Act Respecting A Reduction In The Newfoundland Offshore Area Corporate Income Tax " read a second time, ordered referred to a Committee of the Whole House on tomorrow " (Bill No. 33.).

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

Committee of the Whole

Mr. Chairman: Order, please!

Order 2, Bill No. 31.

The hon. The Opposition House Leader.

Mr. Simms: Thank you, Mr. Chairman. Mr. Chairman, I missed the opportunity on Friday, as I understand it, to participate in the debate on this particular issue, Bill 31, although I understand that certain events occurred in the House that would have given me ample opportunity to have a few comments. Well, Mr. Chairman, I am not sure anything negative happened. I mean its in keeping with the tradition of this Government to make Members sit night and day and try to wear down the opposition. So what was so different? The only difference is on a Friday you do not sit at night you sit in the afternoon, so what is the difference between that and forcing us to sit every night for a week on Meech Lake? What is the difference? Or forcing us to sit night and day and every second night or whatever on the Budget debate? There is really no difference. It is certainly a practice of this Government that has become evident and clear in an attempt to ram things through the House so that the House will close early, in the hope that the Government will not have to face all the negative things that are happening in this Province's economy.

So as to how it occurred on Friday is irrelevant. It really makes no difference. The Government has done it twenty times before this session. So what is the difference? So I am reading Hansard, and it was moved that the Committee rise and report progress, pass a particular Bill,

and there was a vote taken on it. The Acting Opposition House Leader pointed out that the Member who was speaking at the time, the Member for Mount Pearl was simply adjourning debate on Bill 31. And then there was some kind of an inaudible. Now inaudible is here twice, 'An Hon. Member: (Inaudible). Mr. Chairman: (Inaudible). Now, how can you say with any degree of clarity what was actually said? You cannot say it. And Members over on this side, as I understand, the Acting House Leader I believe understood that the President of Treasury Board, Government House Leader, tried to pull a fast one.

Some Hon. Members: Oh, oh!

Mr. Simms: Just relax, please. I ask Members to relax and take it easy. Now that was the misunderstanding, I guess, as it turns out to be a misunderstanding. And so if I had been here perhaps I might have been able to confirm that yes, the Government House Leader frequently tries to pull fast ones. But I was not here, so I cannot confirm it -

An Hon. Member: Shame!

Mr. Simms: - and quite legitimately. The Acting House Leader thought maybe he was trying to pass Bill 31.

An Hon. Member: (Inaudible).

Mr. Simms: But then you see 'Does the Member want to continue on at 2:00 o'clock?' Who said that? It was not the Opposition House Leader. It was the Government House Leader. 'Mr. Baker: Does the Member want to continue on at 2:00 o'clock? We could do that if you want. And, of course, being a

co-operative Opposition as we always have been -

Some Hon. Members: Oh, oh!

Mr. Simms: - she said yes.

Some Hon. Members: Yes, yes.

Mr. Simms: 'We have a lot more to say on Bill 31.' But the implication is yes, we will come back at 2:00 o'clock on Friday, or we will come back on Monday at 2:00, we will come back on Tuesday at 2:00, whenever the Government wants to force the House to sit at night or in the case of Friday, in the afternoons, then they can do so as it has done on twenty occasions approximately, give or take a few. But certainly there have been twenty night sittings I guess since this session began.

So let us put all of that aside, let us forget all about that nonsense, that is in the past, and what, Mr. Chairman, is important to the people of this Province is the future. And that is what I want to address, the future for the people of this Province in economic terms. As a result of this dastardly decision by this Government to impose this particular fee as outlined in Bill 31.

Now, Mr. Chairman, there are all kinds of questions - is this my five minute notice?

An Hon. Member: (Inaudible).

Mr. Simms: Actually there is another matter that I should clarify for hon. Members if they are not absolutely sure of it in the context of any suspicion of whether or not we want to drag debate on and on and all that kind of stuff. There are many more

opportunities for us in Committee of the Whole than Members have seen, because the ten, ten, and ten debate that we have in Committee of the Whole is only by agreement. The rules say we have a half hour every time we speak, and we can speak as often as we wish. That is what the rules say.

Mr. Speaker: A half hour.

Mr. Simms: Thirty minutes?

Mr. Speaker: Yes.

An Hon. Member: (Inaudible).

Mr. Simms: I did?

An Hon. Member: Yes.

Mr. Simms: Because I checked with the Clerk at the Table, I apologize. I checked with the Clerk at the Table, she said we had done ten and ten.

An Hon. Member: Thirty (inaudible).

Mr. Simms: Well, I would not want to tell her, you can tell her. If you feel she messed up, you tell her, I don't think she has.

In other words, I will speak as long as I want up to thirty minutes. If I want to speak for ten I will speak for ten and then sit down.

Mr. Furey: You can speak for three hours if you want to.

Mr. Simms: Thank you I will accept the invitation of the Minister of Development, we will go on for three hours.

Anyway, Mr. Chairman, since I know that then I do not have to be concerned about the time.

I would like the Minister to address a number of issues that I believe have already been raised by my colleagues as a result of this legislation. The first point which has been made from reading Hansard, I understand, is the question of Section 1.30.1 (2) and 2 (a) on Page 3 of the Bill, which talks about the Lieutenant-Governor in Council having the authority to make regulations under this Act, and it also talks about making the regulations as it pertains to the fee, which is outlined in Subsection 1. The Minister will know of which I speak. I want to speak for a few moments on that particular point alone, but I also have another matter to raise directly outlined in the Bill under Subsection 4 on the next page where it says the regulations can be made under that section with retroactive effect to October 1, 1989.

Now, Mr. Chairman, there was a time in this Legislature when the former Administration was frowned upon from great heights by Members opposite about any attempt to bring in any kind of retroactive legislation. There are some Members opposite who will know what I am talking about. Here we have a Bill brought in by this Administration which makes this fee now, or regulations pertaining to fees, retroactive to last October. I have some concern about that, and I want the Minister to explain why it is necessary to make it retroactive as opposed to making it effective in the next fiscal year, or whatever. Perhaps he could tell us why.

The other thing that bothers me a bit about this precedent-setting piece of legislation, because that

is what it is, it is precedent-setting, I would like him to tell me if this could be considered a precedent for placing a guarantee fee, as he has done here for hydro, a guarantee fee on any other loan guarantees, loan guarantees, for example, for municipalities, or loan guarantees to the fishing industry? Does this not set a dangerous precedent in that regard? Because this, as I understand it, is new, a loan guarantee fee on hydro. Now that the legislation is in place, and now that the legislation once passed gives the Cabinet the authority to make changes in regulations and so on as it applies to fees and other things, what would prevent this Government or any future Government, from that point of view, from attaching a guarantee fee in the same way, a 1 per cent loan guarantee fee, on all the municipalities in the Province that receive loan guarantees from the Government, or fishing industries? Businesses which often -

An Hon. Member: (Inaudible) a bad idea.

Mr. Simms: Well, it is a bad idea in the sense that the reason loan guarantees are given to businesses, fishing industry businesses in particular, is to help them. By imposing a 1 per cent guarantee fee on them is not going to help them anymore, they are going to have to pay back more to the Government. I do not think that is the purpose of a loan guarantee.

In the case of municipalities, of course, if you impose a loan guarantee fee, it simply means, then, that the municipalities concerned would probably increase their own local taxation to get

more revenue from the local taxpayers to pay back the Government's loan guarantee fee, in addition to having to pay back the loan guarantee with whatever interest might be associated with it. I have some concerns about that, because it could be precedent-setting, and Members opposite should consider this and contemplate it.

I guess the biggest concern I have about this legislation is that, first of all, it is another example of hidden revenue in this particular Budget, and similar to the other measures that were announced. For example, do you remember the innocuous reference to additional funding from the Newfoundland Liquor Corporation which was not spelled out or elaborated upon, but it turns out to be a fairly significant hidden revenue measure. And, of course, the 1 per cent personal income tax hike this year was announced in last year's Budget. It certainly was not referred to in this year's Budget to any extent at all, so another hidden revenue measure. Now, we see, of course, the 1 per cent loan guarantee fee to Hydro which will obviously, and I am sure the Minister will acknowledge it, will obviously have to be passed on to the consumers of electricity in this Province. In fact, I believe, he may have already publicly acknowledged that that is likely to be the case. Would the Minister acknowledge that, that presumably this will be passed on to the consumers of electricity in some form or another? I mean, an additional 1 per cent fee. Does the Minister hear me?

An Hon. Member: You are talking about the payroll tax, are you?

Mr. Simms: No, I am talking specifically about this.

An Hon. Member: Oh, this?

Mr. Simms: Yes, the 1 per cent fee. I mean, that is going to be paid ultimately somewhere down the line by the consumers of electricity. There is not much question about it. I suppose you might want to try to skirt around it or whatever, but the reality is that Hydro will eventually seek the cost of that increase, or that fee, through hearings, or whatever, to get an increase in its rates and all the rest of it. So consumers will pay more as a result of this initiative and that, of course, builds upon the other measures taken by this Government to hit the consumers of electricity in the Province, including the elimination of the PDD subsidy which, I believe it is fair to say, is going to mean a significant increase in the cost of electricity for consumers.

Any time you take \$30 million out of the revenue of Hydro, that cost is going to be passed on to the consumer. So you have the elimination of the PDD subsidy, you now have the 1 per cent loan guarantee fee and, of course, you have the infamous payroll tax. Those are three initiatives, three measures undertaken by the Government directly - three measures.

An Hon. Member: (Inaudible) question.

Mr. Simms: Question? The Member is not in his seat, but go ahead.

An Hon. Member: (Inaudible) similarly?

Mr. Simms: No, Mr. Chairman, not

necessarily. I think a Government when it operates has to operate, obviously, with a business sense; you must have a business understanding, you must operate the Government as best you can as a business. But the most important asset a Government or people who make up a Government can have, in my view, is common sense and the use of a social conscience.

And there are an awful lot of people out there today, particularly in rural Newfoundland as the Member knows, I don't need to tell him, he knows full well, who are having one hell of a time: there is less employment, there is a problem with the fishing industry, and all the rest of those things which are happening with our economy. How do these people pay a 30 per cent increase on their electricity bills, with which they will be faced in the next year or two, whenever it is going to be? The Minister shakes his head. I am sure the percentage can be debated. But, there is no question, the one thing that cannot be debated is the fact that there will be a sizable increase in the cost of electricity to consumers of the Province because you have the 1 per cent loan guarantee fee, you have the elimination of the PDD subsidy, and you have the imposition of the payroll tax, all initiatives of the Government directly.

In addition to that, you have the Power Company going to the Public Utilities Board seeking their normal 4 or 5, or whatever it is, per cent increase every year, and that is all passed on to the consumer. So my argument is that over the next three to five years, I suspect, there will be an

increase of perhaps 25 to 35 per cent in the cost of electricity. Now, how are consumers out in rural Newfoundland, who are having a devil of a time getting a job, who can't afford to make ends meet as it is, who can't catch a fish, because in many places there are no fish there, how in the name of heavens can they face an increase of 25 or 30 per cent in their electricity costs? That's the question I ask, and that's why I ask why the need for this particular fee? Particularly, why make it retroactive to last October, October of 1989? At least you could make it effective sometime in the future.

An Hon. Member: (Inaudible).

Mr. Simms: You could. And in order to help the Government consider that, it might be appropriate for us to lay down, at the appropriate stage in this debate, an amendment that will give Government Members opposite an opportunity to reconsider this matter and to have a look at the serious effect that all of these increases are going to have on consumers.

Mr. Chairman, when I was on the other side as a Minister of the Government I remember Members opposite who sat in Opposition then, particularly the Minister of Social Services - I remember it vividly. And I have read Hansard time and time again. In fact, I asked the same question here one day in the House, Members may recall, of the now Minister of Social Services which he asked a few years ago of our Minister of Social Services at the time. And it was so ironic. The question, I remind the Minister - he might remember - had to do with the additional costs people on low

incomes were facing, particularly increased costs of electricity, and so on. And I remember that you could almost see the Member raising his hands and everything when he asked the question two or three years ago as to what the Minister of Social Services was going to do to help these poor people who were on low incomes to address and face these increased costs in electricity. And, won't the Government do something to bring down the cost of electricity? Those are the questions that Member used to ask when he was in Opposition. And just to prove it, I actually went out one day and researched an old Hansard, I dug out the question the Member asked, and I got up here in the House one day in Question Period, you may recall, and asked the Minister of Social Services the exact same question. Now, he didn't know it, and that is what's ironic. The answer that came back was similar to the answer that Member got from our Minister of Social Services. So it really makes you wonder.

Mr. Efford: (Inaudible).

Mr. Simms: No. Honestly, it really makes you wonder about the value of asking questions in the Legislature and the value of the answers one gets. Sometimes there is a bit of humour injected, the answers, generally speaking, are very broad. The problem with it all is that it does nothing to help those people who live in rural Newfoundland, in particular, to address the major problem they have with respect to increased costs in electricity.

So, I say to the Minister of Mines and Energy, perhaps he can answer the question the Member for Port de Grave asked two or three years

ago: What is the Government going to do to cut down and decrease the cost of electricity for those people on low and fixed incomes out there in rural Newfoundland, in particular? What are they going to do? Withdrawing the PDD subsidy of \$10 million a year for three years, the \$30 million, is certainly not going to help them; casting the 1 per cent payroll tax on Newfoundland Light and Power and Hydro is certainly not going to help them; and putting a 1 per cent loan guarantee fee on Hydro is not going to help the consumers. Maybe he can address that question when he rises to speak in the debate.

I would also ask him to address my first question - I hope he heard it - does he see this as a precedent-setting initiative, whereby loan guarantees to municipalities or fish companies, or whatever, could also be subjected to another loan guarantee fee in the future?

Mr. Chairman, I guess I will leave it at that for now. I have asked two or three questions, and I would like to hear the Minister respond in some way to at least see what Government's response is to those three or four issues I have raised, but which I think had been raised, probably on Thursday and Friday of last week, by my colleagues. I think it would be timely of the Minister to maybe stand and make some comments on those matters. He doesn't have to speak for thirty minutes, he can speak for five or ten, or whatever. But I sure would like to hear what he has to say.

Dr. Gibbons: Do I close the debate?

Mr. Simms: No. This is Committee

of the Whole, you don't close debate.

Dr. Gibbons: (Inaudible) ask them all (inaudible).

Mr. Simms: Well, I don't know. I mean, if you answer some of those, then that will eliminate the need to ask questions. Because what the hon. Member will find -

Dr. Gibbons: (Inaudible).

Mr. Simms: Exactly, and that is the point. This is supposed to be a debate. Unfortunately, we haven't seen much of it from the other side. But if the Minister gets up in the debate and he answers the questions we have raised, the three or four points in particular I have raised here today, which are really repetition, I guess, in most part, of what my colleagues maybe asked on Thursday and Friday, if he were to get up now and answer those questions, then maybe the debate will conclude. I say to the Minister if he were to get up and answer those questions, maybe the debate will conclude. But if he does not get up, then that will just spur us on to get up and continue to repeat the same questions.

An Hon. Member: You are threatening now, are you?

Mr. Simms: No, no threats. Not likely. I am not like the President of Treasury Board. I do not make innocuous threats or provocative statements in the public media in terms of negotiations.

So, maybe the Minister will get up and answer those questions. And if he does not answer them all to our satisfaction, we have Members

over on this side of the House, speakers on this side of the House, who are quite prepared to get up and ask some more. But if you answer the questions, we may not have anymore to ask.

So, perhaps their strategy over there has been wrong all along, in sitting down and not getting up. It would be better if they got up and answered the questions. It might be over with by now.

I will leave it at that. We will see if the Minister gets up, I guess.

The Minister is not going to get up. We will have to keep it going.

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

Mr. Hearn: Thank you very much, Mr. Chairman. Apparently the Minister is not going to answer some of the pointed questions asked by my colleague. I am not sure he is aware. Maybe they are waiting for the Minister of Finance to come back and set them straight.

Mr. Simms: He is up in Ottawa, a constitutional advisor with the Premier, I am told.

Mr. Hearn: No. Actually, I heard that because of what is happening with the interest rate in the country now and the uncertainty in the financial circles, they did bring the Minister of Finance up to give guidance. So, hopefully he can ease the minds of all the people who are concerned about what might happen if the country starts falling apart and he will find accommodation. If they do over the next few days, great credit should go to the Minister of Finance.

The Opposition House Leader was suggesting to the Minister of Mines and Energy that perhaps in answering the questions he raised, we could get through debate on this Bill. Actually we should have been through it on Friday, except for the fact that the Government House Leader tried to ram the Bill through under the guise of closing debate. Only the Acting Opposition House Leader was smart enough to spot it, the Bill would have slipped through without people being aware that it happened.

It could have gone through after a very short time, because there are only a few major concerns which have to be addressed, the main one being the effect of the increase that will follow the bill on the average consumer in the Province, more particularly, perhaps, in a year like this rather than at any other time, when we have had such a drastic downturn in the economy: a complete lack of development in the Province coupled with a poor fishery, over which nobody has too much control. I have never seen, and I am sure Members opposite also will agree, I have never seen as many people who are down and looking for employment as there are presently.

Consequently, when you look at people really hurting out there financially, you think that another whammy will be levied on them, when they get their light bills down the road, because of this bill. The Minister has given some indication in the past that no, there will not be a direct effect on the taxpayer and so on. But we all know that when we start taxing Hydro or Newfoundland Light and Power, eventually the consumer will pay the bill. And when we throw the payroll tax on top of

that, certainly that is going to have a much greater effect.

So, the moves of the present Government in relation to burying the consumer certainly have been hard and fast. And the poor consumer, out trying to find a job, trying to pay the bills he has now, is being faced with an increase levied by this uncaring Government who are trying to balance the Budget on the backs of the poor people of the Province.

And while this is going on, I do not see the Minister of Social Services, the person who is going to be busier than anybody over the next year or so, unless the economy turns around pretty quickly, the Minister of Social Services, instead of standing up and defending his constituents out there, all the people who have to avail of assistance from his Department, who turn to the Minister's Department for some help in paying their light bills, who are going to be hit with a further increase now in the basics, things they cannot escape, people have to have electricity, they have to pay light bills and it comes out of the meager income they get from the Department, we had the Minister here on Friday talking about cucumber recipies.

Instead of standing up here on Friday and taking on the Minister of Mines and Energy and the Minister of Finance and trying to talk some sense to them, trying to explain to them how the bringing in of this Bill will eventually lead to taking more out of the pockets of the poor people in this Province, here we had the Minister trying to satisfy the people out there by letting them know what the latest cucumber recipes were, and that is terrible.

Mr. Minister, when you stand to answer the concerns, the major one, one which would have to be clarified considerably from what you have done in the past, is to assure the Opposition that the increases incurred will not be passed along to the consumer who is suffering out there under an already very heavily burdened load financially, particularly, as I say, in a year when everything seems to be coming apart around our ears. I know other Members on this side want to say a few words on the Bill. Maybe the Minister might want to answer the questions now and circumvent a long discussion. We will leave it up to him. Thank you, Mr. Chairman.

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

Dr. Gibbons: I will address a couple of the points raised by my two hon. colleagues from the Opposition. Relative to increases as a result of the PDD subsidy phaseout and the guarantee fee, that was the purpose of the recent rate hearing before the PUB. We have not yet received the report of the PUB, so we do not know what the ruling will be. However, at that hearing Hydro did ask for 4.5 per cent per year over three years. The reason for 4.5 and no more is that we do not want any increase that is going to exceed the annual cost of living. Between now and three years time, at 4.5 per cent per year to the customer, this would mean 13.5 per cent in the increase in rate as a result of the PDD subsidy phaseout and the guarantee fee.

Relative to the guarantee fee itself, we directed Hydro not to try to recover the guarantee fee from the customer until its rate of return was at the base of the

range approved previously by the PUB. That is 15 per cent to 25 per cent, so the base is 15 per cent. Normally, the PUB allowed Hydro to earn a 20 per cent rate of return. By making the rate of return only 15 per cent, obviously there is a smaller amount being recovered directly from the customer.

A little word on the amounts we are recovering. Annually, last year it would have been \$30 million for the PDD subsidy. Over the last ten years, from 1980 to 1989, there were \$204 million paid in subsidy, that is paid by the taxpayer, to the users of electricity - \$204 million. We feel, Mr. Chairman, that the user of electricity should pay for the electricity used, not the taxpayer. Over the last ten years, there were \$204 million paid by the taxpayer to subsidize the user. The user should conserve and find alternates wherever possible and try to cut down on the amount of electricity used. We do not want to see any increases of electricity if at all possible, we want to keep the increases down.

So the amount of increase as a result of this we see as 13.5 per cent for the next three years, not the 50 per cent that was referred to in the debate last week, and not the 35 per cent referred to today by the hon. Opposition House Leader.

An Hon. Member: How much?

Dr. Gibbons: 13.5 per cent over the next three years is what we are asking for here to accommodate the phaseout of the PDD subsidy and the inclusion of a guarantee fee. We have no thoughts, Mr. Chairman, of bringing in guarantee

fees for municipalities, but I am going to leave other discussions of guarantee fees to the appropriate Minister, the Minister of Finance.

I do not consider this to be a hidden revenue. It is not hidden at all. Clearly it is \$9.5 million per year at this time on the \$950 million of guaranteed loans by Hydro, and it is not at all hidden. It is retroactive to October 1, because this measure was announced in last year's Budget to apply to last year as well as this year. That is why we are making it retroactive at this time.

I think that about answers the questions that were raised.

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

Mr. Rideout: Thank you, Mr. Chairman.

Mr. Chairman, that was a pretty weak series of answers provided by the Minister to some pretty indepth questions asked by a number of colleagues on this side of the House, not only today, but over the last couple of days. Because if I recall, I do not believe the Minister participated in the debate, certainly not late on Friday evening in answering questions that were raised on Friday.

The Ministers's answers, Mr. Chairman, they have no detail. There is no depth associated with the Minister's answers. The Minister is going to have to address a number of items in this Bill before we can - well, we will not support it anyway, but before we can feel that we have done our duty in making sure that the bill

is adequately and thoroughly debated before it passes through Committee.

Mr. Chairman, the Minister can talk about the 4.5 per cent increase all he likes, but the fact of the matter is, that will increase the cost of electricity generated by Newfoundland Hydro, which it then sells to Newfoundland Light in most cases in the Province, by 13.5 per cent over the next three years, and that is going to be passed along to the consumers of electricity in this Province.

Also, of course, Mr. Chairman, the Minister can try to defend the guarantee fee by saying that they have not asked Hydro to find that \$10 million from their revenue or from the ratepayers of this Province until it gets closer to their base rate, as he explained. But the fact of the matter is, Mr. Chairman, we know, and most people know that the rate of return to Newfoundland Hydro is determined by legislation. And if Newfoundland Hydro finds that its rate of return is falling below the legislative requirements, then Newfoundland Hydro must, because of legislation, appeal or make application to the Public Utilities Board for further increases.

Now, Mr. Chairman, when you look at the guarantee fee, when you look at the elimination of the subsidy, when you look at the effect of GST on electricity in this Province, then I do not think you have to be much of a wizard to come to the conclusion that there is going to continue to be significant rate increases over the next number of years in electricity rates in this Province. You can pad it, you can

soft peddle it, you can downplay it, you can do what you like, Mr. Chairman, but when the increases start to affect people in the pocketbook, as they will later on this fall, then the Minister and the Government can be certain that they are going to hear howls from the consumers of this Province.

Of course, you add on top of all that, Mr. Chairman, the very inadequate consumer protection now provided for electricity consumers in this Province by the new consumer advocacy roll on the Public Utilities Board. It is not adequate at all. I realize that it is only an interim measure at the moment, and that a full-time person will be appointed sometime in the future. But the fact of the matter is, that full-time person will be a bureaucrat of Government, an employee of a Department of Government who will not, in the view of many people in this Province, be in a position to protect vigorously and without any fear of interference the rights of consumers in Newfoundland and Labrador.

An Hon. Member: (Inaudible).

Mr. Rideout: Yes, as a bureaucratic job.

The offer to the former Commissioner, the Government House Leader knows, was for him to become the consumer advocate and become attached to the Department of Justice and become a Government bureaucrat. That was the offer, Mr. Chairman, and the gentleman has mentioned that in public on a number of occasions. Now, Mr. Chairman, the Minister made another very interesting statement in his very brief defense of questions raised regarding this particular Bill. The Minister

made the statement that the users of electricity must pay and not the taxpayer. Mr. Chairman, I assume that is the great Liberal philosophy. There was a reason for the subsidy on electricity through the PDDs and I am sure the Minister knows what the reasons are, because that electricity is much more expensive to generate than is hydro electricity, and people would have to pay a far higher rate if there had not been a subsidy provided by Government.

What is going to happen here now, is that all electricity users in the Province, whether they are on hydro systems or whether they are on a PDD system, will pay the difference. So, it is only robbing Peter to pay Paul, it is only shifting the burden from the taxpayers through general revenue to everybody who consumes electricity. That is what the Government has done, sock it to them twice. Mr. Chairman, on the other hand the Government has not made very much of a significant increase to the base amount that people are able to use under the PDD system, and the result, of course, is that you are going to have a number of people in isolated areas in this Province paying much higher electricity rates and not having the base amount increased by any significance.

These are just a few remarks based out of the Minister's response, but more importantly, and I listened to the Minister for awhile on Friday and I listened to him for another while today, there are a number of other very regressive, in my view, provisions in this little Bill that the Minister and the Government expected might sneak through the

House without very much debate. The first one, Mr. Chairman, is the ability of the Cabinet, meeting in secrecy in the Cabinet Room, to be able to set the guarantee fee.

Now, I think it would be more appropriate if, when the Government deemed it necessary that the guarantee fee should be increased, that the Government be forced to come to this Legislature. At least that would ensure that debate could occur, and the amount debated by the elected representatives of the people. But to take that right onto the Cabinet, away from the Legislature, will make sure that this Government, or some Government at some time in the future, will find that if they need another \$10 million, or they need another \$12 million, to balance off the Budget, all they have to do is, by Cabinet decree, put another percentage point on the guarantee fee to hydro, and you have your additional \$10 million. That is if the debt stays where it is now, but if the debt increases, as it probably will, then a percent would give you more than that. The point I am making, Mr. Chairman, is that I do not think the Cabinet should have the right to do that without coming to this Legislature. I suppose it is more the Minister of Finance really than the Minister of Mines and Energy, and I can understand why the Minister of Finance would want it, but why does the Minister and the Government, want that kind of authority, Mr. Chairman? What is wrong with coming before this Legislature with legislation to provide for the increase if the Government is bound to do it? I believe it is very dangerous. I can remember in debates past in

this Legislature, Oppositions were always concerned about taking authority and power away from the Legislature and giving it to the elected Cabinet, or giving it to the appointed Cabinet which is responsible to the House. It has happened on dozens and dozens of occasions in the past, I can recall, when Oppositions dug in their heels quite legitimately about passing power to make regulations, or putting in regulatory power, usurping the power of the elected House of Assembly.

Why the Government wants that, Mr. Chairman, is very difficult to understand. The Minister made no reference at all in his very brief defense of the Bill a few minutes ago, as to why the Government wants that authority. Now it is nice and clean, Mr. Chairman, it is nice and tidy, the less the Cabinet has to worry about getting approval of the Legislature for something, then the more mechanical, streamlined, and efficient Government becomes, but what is to the advantage of Government in its daily administrative mode is not necessarily always to the advantage of the people and the taxpayer.

The Government might from time to time have to put up with the annoyance of having to come to the House to get legislative approval, but I think the consumer, the taxpayers, the people of Newfoundland and Labrador would be much better off each time the Government has to do that rather than the Cabinet having the authority to do it automatically, which they will have now as a result of 2(a) in this particular bill. The fee can be calculated by the Cabinet and it can be set

by the Cabinet based on the Budgetary situation that the Province finds itself in from year to year.

And, Mr. Speaker, one thing we know about taxes, no matter what the political stripe of the Government of the day is, it is very, very seldom that taxes are reduced. The norm is that you start off somewhere with a small tax and because of Budgetary decisions they keep edging up, they keep edging up, they keep edging up.

So this 1 per cent guarantee fee this year, Mr. Speaker: there is no guarantee at all that it will not be 1.5 per cent or 2 per cent or 3 per cent two, three or four years from now. No guarantee whatsoever, Mr. Speaker. It is a nice quick fix for \$10 million every time you move it by 1 percentage point. And I think the Government should reconsider their desire to have this authority vested with the Cabinet. The Government should reconsider and leave it as it is now. If the Government in its political wisdom or lack thereof wants to increase the guarantee fee further, then let them have to come back to this legislature to get the right to do it, Mr. Speaker.

The other point that I find very troublesome in this bill, Mr. Speaker, is clause 2.4, and that is the Retroactivity Clause. It is very, very unusual. It happens once in a while, I admit, and I remember a couple of occasions in my time here when it has happened, but it is very, very unusual to bring in retroactive legislation and that is what clause 2.4 is, Mr. Speaker. It makes this guarantee fee and the changes to the regulatory power of Cabinet

retroactive to October 1st last year, and that is very, very dangerous.

I do not know if Members opposite understand the gravity of what they are asking for here or not. It is going to mean that this piece of legislation, which has only been debated in this House Thursday or Friday of last week and today, it is going to mean that when it is passed and proclaimed it has retroactive effect to seven or eight months ago and that is a very dangerous practice for Government.

I can remember when certain gentlemen opposite, who are now Ministers, were on this side of the House when we brought in a piece of retroactive legislation. And, Mr. Speaker, keeping it in the parliamentary terms it was a dog fight. The Opposition of the day were gone snarky about the retroactivity clause, and rightly so. Rightly so, Mr. Speaker. It is not very often that Governments, in a lack of wisdom in most cases, find that they had to bring in retroactive legislation.

I remember the Premier, then Leader of the Opposition, making a great passionate plea against the concept of retroactivity in legislation in this House, Mr. Speaker. And now we find that the Government, for whatever reason - it could have done it - there was a spring session last year, there was a fall session last fall. The Government, if it had the competence to organize its legislative agenda, Mr. Speaker, could have had this bill passed before. That is totally within the Government's hands to call it. It certainly did not take the legal drafts people very long to

prepare it. I mean a kindergarten student could almost write it, Mr. Speaker, it is that short.

So, there is no reason for this legislature to agree to give the Government retroactivity, Mr. Speaker. No reason whatsoever. And if the Government is going to use its legislative majority, which I expect it will, to ram through retroactivity, then I say to the Government that is a very poor sign for a Government one year in office. A very poor sign indeed if the Government cannot plan its legislative agenda any better than that, if the Government walks away from the principles that it articulated so passionately against retroactivity when it was in Opposition, if the Government walks away from that so quickly, in its first twelve months in office, to try to ram through a piece of retroactive legislation in this House, Mr. Speaker, then I think that is a sign and a mark that the principles that the Government articulated and adhered to when they were in Opposition do not mean a row of beans once they become Government.

So I believe, Mr. Chairman, the Minister has a responsibility to address clearly and definitively and without any skirting the issue the points that are the salient points of this bill. The point that the Cabinet will have authority to raise the guarantee fee from now on, particularly addressing the point of retroactivity and the Government, Mr. Chairman, should accept the fact that it bungled its legislative agenda last fall and last spring, and if it lost \$10 million then, Mr. Chairman, it lost it. That is not the fault of this Legislature. It is not the

fault of the taxpayers of this Province. And the Government, while it has a legal right to ask for retroactivity, does not have the moral right to ask for retroactivity, because they made passionate speech after speech against retroactive legislation, Mr. Chairman, when they were in Opposition.

Some Hon. Members: Hear, hear!

Mr. Chairman: Shall clause (1) carry?

On motion clauses (1) through (2) carried.

Motion, that the Committee report having passed the bill without amendment, carried.

Mr. Baker: Order 5, Mr. Chairman.

A bill, "An Act To Authorize Certain Agreements Between The Government Of The Province And Other Parties Respecting The Future Operation Of The Corner Brook Newprint Mill". (Bill No. 30).

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

Mr. Simms: Thank you, Mr. Chairman.

I missed the debate on second reading on this particular piece of legislation, but my recollection is, as we discussed among caucus, is that we did not have any major particular concerns with this piece of legislation. Obviously again this is really building on an initiative, as I recollect, that had been undertaken by the previous Conservative Administration. And indeed what we had in place and the same reason, not the same

reason necessarily, but the same kind of agreement is in place except, the only difference is that the amount under this agreement is \$50 million as I understand it. And when a similar agreement was in place under the previous Administration it was \$30 million.

And under this particular agreement as well I think the company specifically wants that additional assistance and help in order to be able to undertake some environmental improvements.

An Hon. Member: Thirty-eight million dollars.

Mr. Simms: Thirty-eight million dollars in environmental improvements at the mill. And I believe those improvements were part of discussions that have been held for quite sometime actually, with the company and the Governments involved, and also I guess in response to the Federal Government's initiation of stronger adherence to environmental practices by pulp and paper mills and so on.

So I guess really there is not much one can say about the bill because, in fact, like I said it is a building on of an initiative that had already been in place by the previous Conservative Administration, although I might say, now that my mind is refreshed, I might say at the time of the Kruger agreement in this Legislature there were an awful lot of concerns expressed by the Liberal Party when it was in Opposition about what the Government was doing. And the Government of the day can be quite proud I think of the initiative it undertook in those days to respond to a very serious crisis situation

that had existed and had occurred in the Corner Brook area with respect to the pull out of Bowater at the time, and the previous Administration with the help of some very competent civil servants, one of whom now sits as the Clerk of the Cabinet, I believe.

Mr. Stanley, played a very major role in that, as did a number of other senior civil servants, as did the Administration, particularly the former Premier, Mr. Peckford, whom I believe personally got involved in the situation, and we were fortunate indeed in encouraging the Kruger people to come into our Province and to take over that operation.

I had the privilege, when serving as Minister of Forestry, to have a number of meetings with the Kruger people both in Montreal, where their headquarters is located, and over in Corner Brook and here in St. John's, when the President, Mr. Kruger himself, as well as some of their vice-presidents, and a few other people, frequently used to come in and keep the Government informed as to how things were progressing.

I think as one looks back on that situation now, that initiative of- I am not sure when it actually took place, I don't know if anybody knows the date, it's five years ago now, I guess? Somewhere around 1985? In any event whenever it was, five or six years ago, whenever it came into being. I think all of us could look back, not only those who were part of that Administration and who felt very proud of the initiative and rightly so, but I believe Members of the House who now sit on the Government side, who then sat in opposition, particularly those on

the west coast.

Despite the fact they may have been in opposition, I am sure they felt very, very good about the fact that we were able to find a company of the reputation of Kruger to come in and to take over that operation, and to do as successfully what they have done over the past four or five years. I must say that in meetings which I have held as Minister of Forestry with Joseph Kruger, and his senior vice-presidents in particular, those people are businesspeople extraordinaire. They are superb businesspeople. I believe, despite the fact that from time to time they may have some differences with the union representing the workers from time to time on internal matters, that for the most part the workers, and many of them told me that when I visited the mill on several occasions, many of them told me that they found the Kruger people were straightforward, honest business people, and I think they have done a magnificent job over there for the last number of years.

I think the Government is getting a really good deal, obviously, having the Power Company in its back pocket, if it needs it or wants it, and obviously if you can pick up the Power Company for \$50 million, even though we could have gotten it for \$30 million if the agreement had remained at \$30 million, even though it's now gone to \$50 million it is still a pretty good buy. I am sure the Minister of Energy would be - well, I wouldn't say he'd be delighted, because I am sure he wouldn't want to see anything happen that would make this mechanism kick in, so it is a pretty good buy if it ever occurs,

and God help us if it does, because it means something -

An Hon. Member: \$2.5 million on the loan guarantee fee.

Mr. Simms: Yes, another 2.5 million on your loan guarantee fee.

An Hon. Member: In this case you can buy it (inaudible)

Mr. Simms: That's right. But God help us, God help us, if something like that would have to kick in, if the mechanism has to kick in it means that something will have happened to the Kruger operation in Corner Brook, and nobody wants to see that, not even if you can get the Power Company and the power plant in Deer Lake for \$50 million, which would be worth \$250 million, as the Minister said. I don't think anybody wants to see it, so I hope, I hope that this mechanism will never have to be used or implemented. I hope it will never see the light of day, nevertheless if it does, I think it is pretty clear that the Government would have a good buy on its hands.

So for those reasons, and just the general reason that we think Kruger is doing a good job at the operation. The Minister I am sure has met with Joseph Kruger by now and some of his other officials. I imagine by now he has been in the Corner Brook mill and did a tour of the mill, met with the workers, gone around all the machines, climbed up on top of all the machines as I used to do, pretending that I knew all there was to know about paper making, and all that kind of thing. Making sure there was a photographer there with me to get pictures of me there on top of number seven.

Mr. Flight: (Inaudible).

Mr. Simms: You did not bother with that. Well, I offer some free advice to the Minister - he should do it. He should get up on top of the machines and look down into them and look at all the computers, hold onto the hose and clean the shavings and all that old stuff around, go over and handle the core saw. Get over on the saw and put a few slots into the cores and get yourself all full of sawdust and everything like that. Mind you, I did that when I was a young boy at university, not when I was Minister of Forestry. I certainly would do it.

An Hon. Member: (Inaudible).

Mr. Simms: It was a long time ago, when I was just a boy. Not that long ago, but long enough.

I am not sure if my colleagues here on this side of the House have any more to say in Committee on this Bill. The Member for Humber Valley might, obviously, because part of the agreement talks about the Bowater Power Plant and I am sure he would want to express a few views, not to belabour the Bill but would want to make a few comments about it. I think that probably covers it from my perspective, Mr. Chairman.

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

Mr. Woodford: Thank you, Mr. Chairman.

I would just like to make a few brief comments because, as it was expressed by my colleague earlier, really it is a motherhood issue. One of the main reasons for the increase in the guarantees is for

environmental reasons and everybody today is environmentally conscious. You go back just a few short years ago and even the emissions from the mills, especially the one in Corner Brook, at least five or six years ago, just after the agreement was signed, there was no talk at all about emissions or anything like that. Today just about everytime you turn around someone is talking about cleaning up the emissions, for instance, from the Corner Brook Mill. To add to that, one I have concerns with, while I am speaking about the environmental part of it, and I have expressed my concerns to Kruger: I think it probably would be good for the Minister, because of his position, when he is talking to Kruger officials again in Corner Brook, to mention the fact that it is not only the emissions from the mill in Corner Brook but also the Deer Lake and the waterways that they used for years for floating wood down to the mill, used the waterways right from the Head of Grand Lake right on down into Birchy and into the Deer Lake system. The piers and everything they had there for anchoring their booms and everything is still there. It is very treacherous. Anybody out there in a boat who does not know it - they are not marked, there is nothing marked. Just this past weekend I passed over one and I am sure that with another five or six inches that would have been it. I did not know it was there until I had passed. They are not marked and they should be taken out. They have made some effort to take them out of the bottom part of the Deer Lake area, but there should be a special effort made and, I think, the Minister and his staff would be doing a great service to the area and everybody in the

Province, because pretty well anybody with a boat usually uses that Lake sometime during the summer months. It is very, very treacherous.

They mentioned the fact they have the Deer Lake Power Company as collateral. Everybody knows, I think it is somewhere in the vicinity of \$13 million to \$14 million if it was generated annually, that would have been profit from the Deer Lake Power Company every year. They generate it. They push her right to the limit and use what they can for the Corner Brook operation. Then, I just forget how much they have to obtain from Newfoundland Hydro, I think in this case, or Newfoundland Light and Power. They do not have very much surplus to add to the grid especially in a winter like we had last.

One of the things that I would like to caution on in the Bill, is if the money is going to be allocated and the agreements and guarantees increased, I for one would like to make sure that it is used for the purposes for which it was intended.

I mentioned earlier about the fact of being environmentally conscious. Everybody today is doing just that, not only with regard to emissions but with regard to everything else. So one of the things I think the Minister should be vigilant about after this legislation is passed: when they try to introduce, or do something with the mill in Corner Brook, that the monies should be used primarily on that particular project, because it is very important to the area, and it is very important to the people, more specifically in the Corner Brook area.

Just a few short comments on the Bill, Mr. Chairman, like I said, it is a motherhood one and it is not much more that could be said about it.

Thank you.

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

Mr. Rideout: Thank you, Mr. Chairman.

I do not have a great deal to say about this Bill. I think my colleagues have already spoken on it in second reading, and again today have echoed the sentiments of the official Opposition. We are very supportive of this particular initiative, building on an agreement that we had in place with Corner Brook Pulp and Paper previously.

But I do want to ask the Minister, and I assume it will be the President of Treasury Board now, in the sense that this Bill has been under the Premier's name, I do want to ask the Minister this question: Clause 2 refers to agreements with the banks, authorizing agreements with the banks in providing for the loan guarantee to be issued by the Minister of Finance, Clause 3 amends agreements that are presently in place, particularly agreements relating to the price of power and so on, Clause 4 talks about the funding, if the Province has to pay out it comes out of the consolidated revenue fund, and so on, Clause 5 talks about the Public Utilities Act 1989, and I want to ask the question on Clause 6 which says the agreements referred to in this Act do not form part of this Act. Now, I wonder if the Minister could tell me what that means? If it means

what it says then my question would have to be, what is the purpose of the Act? If there is some other legal meaning, that not being trained in the law, I do not know about, I would like to have the answer. It seems to me that every one of those clauses talks about certain agreements and amends certain agreements already in existence, but if Clause 6 is a disclaimer, saying that none of those agreements form part of the law, then if it is just the loan guarantee that we have to do, then obviously that could have been done under the Loan Guarantee Act. So what is the purpose of this piece of legislation relative to Clause 6, which says the agreements are not part of the Act?

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

Mr. Baker: Thank you, Mr. Chairman.

I am sometimes as befuddled, or sometimes more befuddled than the Leader of the Opposition with regards to some of the legal niceties of these agreements. I will certainly ask for a complete interpretation. Maybe, the Member for Humber East, the former Minister of Justice, may be able to shed some light on this for me, as well as for the Leader of the Opposition. My understanding would be that by saying those agreements referred to in this Act do not form part of the Act seems to me to simply say that these agreements stand on their own and are not part of this Act, but, however, they are agreements and there is no change in those agreements, other than what was specifically referred to. I suppose there are an awful lot of other Acts that have that same thing in them. The original Act,

an Act To Ratify, Confirm, And Adopt Certain Agreements Entered Into Between The Province, the Government Of The Province, Kruger Inc., And Other Parties Respecting The Future Operation And Modernization Of The Corner Brook Newsprint Mill, the Bill that was introduced and assented to in December 1984, also had that same Clause there, Clause 9, that the agreements referred to in this Act do not form part of the Act.

An Hon. Member: An escape clause.

Mr. Baker: We do not have a Minister of Justice here and we do not have the Premier, but maybe the former Minister of Justice, having been connected with that one, could enlighten all of us a little bit.

Ms Verge: I am afraid I cannot enlighten you on that one.

Mr. Baker: I shall certainly attempt to find out.

Mr. Rideout: Maybe the Minister should undertake this, because this cannot be read the third time until tomorrow, and I would like to know the answer.

Mr. Simms: Mr. Chairman.

Mr. Chairman: Order, please!

The hon. the Opposition House Leader.

Mr. Simms: I believe I missed the question posed by my colleague the Leader of the Opposition, but obviously it was a very, very important and interesting question, because nobody seems to know what the answer is.

An Hon. Member: It was our Bill, too, apparently.

Mr. Simms: It was in our legislation as well, the original draft. Who was responsible under our Administration?

Ms Verge: Charlie Power and Gerry Ottenheimer.

Mr. Simms: The Minister of Forestry in 1985? I do not know who that would have been. It is probably an important question. No doubt, it is, because nobody seems to know.

An Hon. Member: (inaudible) 1984.

Mr. Simms: Exactly. I do not know if I was Minister in 1984 or not. I cannot remember.

Ms Verge: Charlie Power, the Member for Ferryland.

Mr. Simms: Maybe our colleague, the Member for Ferryland can answer the question for us. This whole question is now holding up the debate on this Bill. Government cannot answer it, the law clerks cannot answer it. Do you know the question?

An Hon. Member: No.

Mr. Simms: That would help, too.

Clause 6 in Bill 30. Oh, it is only a little short clause. It is the last clause of the Bill it says 'Agreements not part of law. The agreements referred to in this act do not form part of this act.' I think the question does not make sense, I wonder why? I do not know. Okay the question is: Why do the agreements referred to in this act not form part of the act?

Mr. Rideout: What is the necessity for the act? If that is the case the Minister of Finance

can get the loan guarantee under The Loan Guarantee Act.

Mr. Simms: That is a good point.

Mr. Power: You should ask a lawyer (inaudible).

Some Hon. Members: Oh, oh!

Mr. Simms: Okay the Member for Ferryland simply thinks, and he is not quite certain because it is a long time ago now, but agreements referred to in this particular act simply do not become part of the act for the future. A good answer I thought, an excellent answer. But it may not be satisfactory to the Leader of the Opposition. So rather than rush through -

Some Hon. Members: Oh, oh!

Mr. Simms: Are you going to let it go or ask him to hold it?

Mr. Rideout: Well let it go through Committee and we can get the answer before third reading.

Mr. Simms: We will get the answer before third reading, if we do not get a satisfactory answer we will be prepared to move an amendment, a six month hoist amendment or something along those lines, if we are not satisfied with it.

Some Hon. Members: Oh, oh!

On motion clauses (1) through (6) carried.

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

Mr. Baker: Mr. Chairman, I move the Committee rise report progress and ask leave to sit again.

On motion, that the Committee

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

Mr. Speaker: Order, please!

The hon. the Member for Trinity - Bay de Verde.

MR. CHAIRMAN:

Mr. Speaker, the Committee of the Whole has considered the matters to it referred, and has directed me to report Bills 30 and 31 carried without amendments and ask leave to sit again.

On motion, report received and adopted, Committee order to sit again on tomorrow.

Mr. Baker: Order 16, Mr. Speaker.

Mr. Speaker: Order 16.

Motion, second reading of a Bill, "An Act To Amend The Education (Teachers Pension) Act." (Bill No. 5).

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

Dr. Warren: Thank you, Mr. Speaker. I am pleased to introduce this bill. It is a rather routine piece of legislation. It was on the Order Paper during the last session. I guess we say it died on the Order Paper and I am pleased to introduce it today.

As the explanatory note says, really the purpose of this bill is to amend the Education (Teacher Pensions) Act in order to provide a legislative preamble for changes in the Newfoundland Teachers Association collective agreement.

There are a couple of other things in addition to that that I would

like to comment on very briefly. Section 3 of the Teachers' Pensions Act describes the categories of teaching services which are considered to qualify a person as a teacher. And in that Act you had the term adult education schools, teachers in adult education schools mentioned.

And I am sure all of us here remember many years ago that we had adult education schools and adult education teachers. In fact I think this term goes back to the 1950 Act at least, and since then, of course, a great deal has happened and we now have community colleges. We do not have adult education teachers per se.

In consultation with the Department of Justice it was suggested that that term should be removed and that in section 3, subsection b, sub-subsection (i) of the Act that that should be removed, the reference to adult education schools, that there might be some misapplication of the intention of the legislation if that clause were left there. So clause 1 would remove the reference to adult education schools in section 3 b (i) of the Act.

Clause 2 of the Act would amend section 4 of the Act to permit early retirement of teachers. I am sure the House is aware that early retirement was introduced in the collective agreement last time. The teachers, as of the 30th of June, 1989, were provided with two options. One option, to allow teachers with thirty years work service to retire with full pension regardless of age. And there was another option, of course, that allowed teachers who have accrued twenty-nine years of work service and thirty years of

pensionable service to retire on full pension. Teachers under fifty-five would have their pensions reduced slightly. There was a formula for that, and I am sure I can provide that if the House so requires. So that early retirement option was introduced in the last collective agreement and this provides the legislative framework for that option.

Clause 3 of the bill would amend section 17 of the Act to increase the contribution at the rate prescribed in the regulations by teachers to the pooled pension fund. Under schedule H, I think, of the teachers collective agreement, a memorandum of understanding was signed to permit a 2 per cent increase in contribution rates to the pooled pension fund by teachers, to be matched by the Government. These rates took effect, the first portion the 1st of September, 1988 and again the 1st of September, 1989. Part of that was to meet current service costs, about 0.5 per cent in September 1st, 1988 and 0.5 per cent September 1st, 1989, and the other per cent was divided up to take care of the additional costs of the early retirement benefit, which I mentioned earlier on.

Clause 4 would repeal section 22 of the Act, and I think this is a very important clause, Mr. Speaker. Section 22 of the Act disqualified certain persons who lost their certificate or their licence to teach, from receiving a pension.

Now, I mean we might say that people should lose their licence to teach in the Province under certain conditions, but to deny them the right to their pension, an earned pension that they have,

is double penalty. So I think this is a very important amendment. This Clause 4 repeals Section 22 of the Act, so if a person does lose his or her licence, for whatever reason, they are not denied the right to a pension, and their family would not suffer. Certainly, they would suffer if they lost their licence for certain offences; they would suffer in enough ways, and here we are, providing double penalty, I would suggest, through this section of the Act, and I think it is very appropriate that we repeal that section, so that they, or their families would receive what they legitimately paid for, the full returns from their pension when they become eligible.

The last clauses, 5 and 6, would amend the Act, Mr. Chairperson, in order to allow a substitute teacher who completed twenty or more consecutive teaching days, to be considered a teacher for the purposes of pension under the Act, and that was negotiated in the collective agreement and it is appropriate that we make that amendment at this time.

With these few comments, I will listen to additional comments, and perhaps, later on, I can answer any questions that are raised, Mr. Speaker. Thank you very much.

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

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

It is a privilege to say a few words on this good Tory legislation. Finally, we are getting around to legalizing some good, solid innovative policies that were brought in under the former Administration.

When the Minister speaks about collective agreements, and agreements that were put in place, of course, he is talking about things that happened pre-Liberal Administration, and he is, in actuality, praising our work of the past. But that is not strange for the Minister, because he is one to give credit where credit is due, and I am sure he finds his role quite a good one because of the work that was done before him.

The different clauses, the first one the Minister related to, the reference to adult education schools, is just a matter of housekeeping and tidying up the Act, so we won't spend any time on that one, Mr. Chairman.

The second is a major one, certainly, the early retirement for teachers. For a number of years, teachers have been expressing an interest in being able to retire a little earlier than ordinarily so, and the reason given, of course, is times change; the roles in certain professions get a lot tougher, and anybody today who is familiar with the teaching profession in the Province knows that it is not an easy role, at all. Many people in this hon. House came here through the schools, former teachers, and I doubt very much if many of them would be very eager to leave the cosy jobs they have presently to go back into the teaching profession.

Some Hon. Members: Oh, oh!

Mr. Hearn: It is funny how the grass is always greener on the other side, and when we were teachers, we thought about the great life politicians have. Today, as politicians, we all think about the great lives that

teachers have. In just a couple of weeks, all the teachers in the Province will be saying good-bye to their classes and going out on holidays for two-and-a-half months, and we will be here under the heat and lights until the middle of August, sometime, trying to pass legislation that makes it a little bit better for all of them.

Mr. Tobin: (Inaudible).

Mr. Hearn: To my hon. colleague from Burin - Placentia West, I was talking about the teachers going on summer holidays, whereas we wouldn't have the same opportunity with our duties here, to the House, but I know the hon. Member is referring to a lot of concern that exists out in the field right now, in relation to negotiations, and particularly, in relation to improvements in the pension plan. Whether or not the teachers will be back in September, certainly is something that only the people opposite can answer.

Getting back to the clause, teachers, for years, as I said, had been requesting improvements to their pension plan and forgetting the past year, the two previous years, a lot of discussion went on with teachers in the Province, in particular with people from Newfoundland Teachers Association office and executives in relation to improvements in the plan. The main discussions were outside collective bargaining. Sometimes people get tied up with collective bargaining and they are afraid to discuss or get involved in issues because it would interfere with the collective bargaining process, so that both sides see that there are issues that can quite possibly be handled much more efficiently

and effectively outside the bargaining process, then quite often informally you can cut through an awful lot of red tape and save an awful lot of aggravations by getting to the crux of the matter.

In relation to the 'thirty and out' situation which was the way it was described prior to the past negotiations, a tremendous amount of time and effort went into the putting together of possible options by people from the Newfoundland Teachers Association, by representatives of Treasury Board, and in particular by people in the Department of Education, who basically took the lead in all of this, certainly when it came to piloting it through Treasury Board, Cabinet and finally the House of Assembly.

The teachers looking at the present conditions that exist in the teaching profession realize that when you spend twenty, twenty-five, thirty years in a classroom, in front of kids day in and day out, some of whom certainly try your patience, that it can really get to the individual. We do have people in the teaching profession, who after twenty-five or thirty years still feel excited, still feel refreshed, currently update themselves and want to stay in the profession and to them I say: Great for them. They have served the profession exceptionally well. They will continue to serve the profession exceptionally well in the future, and the option is there for them to stay in until they reach full retirement age. But there are others, for several reasons, whether it is ill-health or whether it is the work load, whether it is burnout, several of them feel that after twenty-five

or twenty-six or twenty-seven years, that it is all they can take.

They are of no benefit to the students in the classroom or to themselves, and they admit that quite readily, and consequently would like to have the option to retire. It was this option that was discussed prior to the present agreement and the eventual legislation, with the cooperation of the people from the NTA, the Minister of Manpower and Labour Relations, or Employment and Labour Relations, I shouldn't use the word Manpower, and the Parliamentary Secretary who was the first one to get involved in this issue. They presented their case quite well to Government at the time and were quite reasonable, I must say in the request, and in relation to the give and take that ensued because, originally, when the idea was raised, very few people in the Province, teachers or Government people alike, thought that such an idea could fly, because they thought the cost would be astronomical, but in sitting down and looking at the cost versus the benefits, it was basically agreed that there were a tremendous number of benefits.

I talked about those who were ready and willing to get out of the profession. We have, today, in Newfoundland, a profession of teachers not growing in numbers because of declining school enrollment. Where finding that each year now we have fewer teachers being employed in the profession. This wasn't so until just a few short years ago because the pupil/teacher ratio has changed tremendously from about twenty-three to one down to about fifteen to one, I think now

roughly, which is a ratio that compares to anything in Canada. When we hear complaints about how tough it is and how rough it is in Newfoundland, the situation that teachers have in Newfoundland certainly compares to anything else in Canada and if we look at it on a per capita income basis, then certainly I think our situation compares quite favourably.

The Minister of Employment and Labour Relations would not agree with that a few years ago. I presume now, after being educated from within, she fully agrees that the situation, looking at our economic conditions as well as the earned income of the population of the Province, that we are not doing too badly. But the idea of 'thirty and out' basically was shoved aside originally because nobody thought it could fly. But people didn't give up on it. There were so many benefits, the opportunity to get some of the older teachers out of the work force if they so wished, to give an opportunity to young people who are just coming through the university ranks, to get involved in the teaching profession. As times change expertise changes et cetera. Of course, when you look at it, the quicker people leave a profession the smaller the pensions, long-term - all of this meant somewhat of a saving. New teachers coming in started at a lower salary, which meant another saving. But the main benefit, I think, was the benefit to the young people in the schools, where you had changing professions, new faces, new ideas, all of those things are very, very positive.

So these were the selling points to convince Treasury Board and Cabinet that going along with the

'thirty and out' request was quite reasonable. As I say, in consultation with the Newfoundland Teachers Association, after a lot of negotiation, with some help from people on the financial side, we discovered it was practical, provided both sides were satisfied to pay the piper. There was no hesitation there. Teachers are a demanding lot, like most groups on the labour side, and rightly so. But they are also a realistic lot, realizing that if you look for new benefits then you have to pay some price. When it was determined what price they would have to pay to have improvements to the pension plan, they accepted that quite readily. An agreement was struck upon quite quickly, when we realized that this agreement that we are talking about here where such a great improvement was made to the pension plan, requiring such detailed negotiations, was finalized and signed before the old agreement ran out. So that shows the type of discussion that went on, the honest and up-front discussions that went on behind the scenes.

Hopefully, when the plan was brought in, when the 'thirty and out' was implemented as such, well twenty-nine years actually teaching and out, it was basically a trial situation to see if it were practical to do so with the amount of money that was paid by both sides. I was going to say gentleman's agreement, the agreement was there in principle with the Newfoundland Teacher's Association, if this can be proved to be successful as it has been, by the way, then improvements will be made to get down to the true 'thirty and out' which would be twenty-six years of teaching plus the four university years which are recognizable.

I presume in this round of negotiations that Treasury Board and the Minister of Education, through his involvement, will be trying to improve upon the teacher's plan. I know only full well that the Minister of Employment and Labour Relations and the Parliamentary Secretary are strongly lobbying for further improvements because it really is a plan they piloted and pushed through. The dream was probably that of the Parliamentary Secretary, who raised it first and put the plan in place, and it was piloted through and brought to a fruition by the then President, who is now the Minister of Employment and Labour Relations. But that was only the start. It was the trial of trying out something to see if it would work, would it be accepted, could it be handled financially, and as I say the answer has been yes, it certainly has been.

Now we hope, as I say, in the present round of negotiations, that improvements will be made to the plan that another year, maybe even two years, will be dropped, so that teachers will be able to retire a year or two earlier than they can at the present time. As I say, I presume that is in the mix in the present negotiations.

The other clause, Clause 4, repealing Section 22: The Minister said when he spoke that this is a very important clause, and it is. I agree. In fact, I remember quite clearly when this was introduced. I remember discussing it quite clearly and agreeing wholeheartedly to the change. It was the former Government that implemented the change, as the Minister knows.

The process in the past, in the

Province, was that when somebody lost, or had his or her teaching licence taken away, that the pension was also lost. It did not happen on too many occasions, luckily, but there were a few. A case which stands out would be in the event of losing a licence because of child abuse, which has happened. In recent years, in an agreement with the Canadian Teachers' Federation and The Canadian Ministers' Association and so on, if a teacher loses a licence in Newfoundland for any kind of abuse whatsoever, all provinces are now notified.

In the past we had examples of a teacher losing a teaching licence in one province and not being allowed to teach, who would then move somewhere else and continue teaching and nobody knew the difference. On an occasion, or a couple of occasions I believe, they had problems with the teacher also getting in trouble in the second province in relation to abuse, which caused quite a stir. So, to make sure that never happened again, there was an agreement struck whereby information is now exchanged among the provinces and if a teacher loses a licence, then it is passed along and other provinces become aware of it. I think that is extremely important, especially in light of anybody abusing children.

But picture, in a hypothetical situation, where a teacher who has been in the profession for over twenty years, twenty-five years, approaching retirement, gets involved in a child abuse situation and is found guilty and loses his or her teaching licence. That person, if guilty, certainly does deserve to lose a teaching licence. I have no problem with that. But what was

happening was the pension that person had accumulated, almost full pension, was also wiped out completely. Not only was the individual punished, he was punished in a double way, and his family, who would depend upon the income, because the chance of obtaining another job in the teaching profession was nil, perhaps the opportunity of obtaining a good job anyway was practically nil, the family of that individual was also punished because the income was taken away, the pension contributions that he or she had built up over the years. So it is only right and proper that this be changed to make sure that if a person does lose a teaching licence, then the pension does not disappear also, because one really does not have an effect on the other.

Clauses (5) and (6) to amend the Act in order to allow a substitute teacher who has completed twenty or more consecutive days to be considered a teacher for pension purposes. In the past, substitute teachers had no opportunity to obtain pension; it did not matter how long they substituted. And today, getting back to what I said earlier, where we have very few teachers entering the teaching professions, jobs are at a premium. This will be helped somewhat by early retirement. But many of our young teachers out there break in by substituting for a number of years, until a full-time position becomes available. These teachers, even though some of them substituted for long periods, could not build up any pension time. Consequently, the opportunity is given now, where they substituted for twenty or more days, to have that time considered as pension time.

One might ask, perhaps, what is the fate of the substitute teacher? If we look at the Budgets over the last number of years, the cost of providing substitutes has escalated tremendously. As salaries increased, of course, the number of benefits that teachers received in relation to days off, sick leave, days for conferences, educational leave, all of these led to the need for more and more substitutes. And, as I say, the substitutes, in turn, are more and more qualified. Out in the field today we have many university graduates, many of them with master's degrees, who have not been able to find a teaching position and who are substituting. When these are called in to substitute, of course, they get basically the same pay, after two or three days, as a regular teacher, a teacher on top of - well, it wouldn't be on top of the scale, it would be grade-wise but not experience-wise. Still, the salary the people make is quite high compared to the salary of substitutes some years ago. Consequently, the bill has been escalating tremendously, whereby I know it has caused concern to the Minister of Education, as it has in the past.

I notice this year there seems to be very little or no increase in the amount paid to substitutes. I don't know whether the Minister, in the negotiations which are coming up - he might want to clarify that later - is hoping to gain some improvements to the Substitute Teacher Agreement. Some changes were made in the past, negotiated with two of the Members opposite who were Presidents of the Newfoundland Teachers' Association. I am not

sure how much further substitute teachers will be willing to go, but the indication is given that something is going to be done, if one looks at the Budget.

The main crux of the changes of the Bill, however, is to deal with the thirty-and-out. As I said, in my conversations with teachers, and they have come out of their way these last few weeks and months to discuss the ongoing negotiations, as teachers always did, but I note some real concern in recent days. On the weekend I was approached by teachers from a number of areas, particularly in St. John's. I have been asked to attend meetings to discuss little problems teachers are having, and all of them, without exception, are extremely concerned about what is going to happen in their present round of negotiations.

Mr. Baker: And they should be.

Mr. Hearn: What? Did the President say they should be?

Mr. Baker: They should be.

Mr. Hearn: They should be. So, that sort of gets the message out that tough times lie ahead.

Now, negotiations are always tough. I have no problems with that. When you go in to bargain, especially with a group that takes up 80 per cent of the second largest budget in the Province - the Department of Education has a budget of over half a billion dollars this year.

An Hon. Member: (Inaudible).

Mr. Hearn: Well, both departments combined are well over that. The primary, elementary and secondary education is around half a billion

dollars, and about 80 per cent of that, roughly around \$400 million or more, goes to paying teachers' salaries. So, when you sit down to negotiate with such a group, any movement at all, one way or another, means considerable dollars.

I do not want to get into anything here that will jeopardize negotiations, but in light of saving an awful lot of time and effort, might I say, in relation to improvement in the teachers' plans, sometimes on the surface the cost which leaps out at you is not really there, and the benefits derived sometimes are well worth the cost. But the best way to settle any dispute is through discussions, through negotiations.

And if I could suggest to the Minister of Education that in his role, where he is not directly involved in discussions, usually it takes place between the President of Treasury Board, his officials, certainly, and the Newfoundland Teachers' Association people, but the Minister of Education has a tremendous opportunity here to, behind the scenes, be able to mediate, to sit down with the Teachers' Association, to sit down with his Colleagues in Cabinet and cut through an awful lot of red tape. If not, and if conditions persist as presently perceived out there, you could end up again with job action by teachers. Now, when teachers are out on strike for awhile, people might say, they are making good salaries. They can take it. That is not the point. The problem is that when teachers are affected, when things are not going well, when it throws one off, as it would any of us if our work situation was tampered with, if our income has been affected,

if our benefits were being taken away, or if we had concerns about them, we would not feel comfortable and that reflects on the people with whom we are dealing.

In this case, we are dealing with young people. Consequently, if we get to job action down the road, the people who will really suffer are the young people in the Province. So if there is any way to perhaps lessen the concern which exists out there right now, then I think people like the Minister of Education, people like the Parliamentary Secretary, people like the Minister of Employment and Labour Relations should be front and centre trying to mediate, trying to talk to the President of Treasury Board, who has a responsibility he cannot take lightly; he is responsible for the financial dealings in negotiations, and the Minister of Finance in particular, who is looking at trying to keep his Budget balanced.

Sometimes you have to educate these people into what it is really all about. Benefits to teachers, early retirement, it does not mean letting teachers get off a year or two early so they can get out and enjoy themselves. Many teachers will not take advantage of it. I have talked to many teachers who have young children of their own, and by the time they are ready to retire, their kids will be just starting university and the extra few dollars they would make by staying in the profession certainly will make the difference as to whether or not their children can progress and be financially solid. Consequently, they are going to stay in the profession as long as they can.

But realizing there are many who, if given the choice, would accept an early retirement package, this will not only be beneficial to them for their physical and mental health, but if the teachers want to get out, it will be more beneficial to the students in the classrooms. These are the things we have to measure when we are negotiating with teachers.

All the changes here took place during the great Tory times, times when teachers thought it would always be better if they had people who are opposite in power, maybe led by people who had taken advantage of some political opportunism. But, whatever the case might be, it always seems the Opposition is always for you. And it is so popular and easy to be for somebody when you have not got

An Hon. Member: You are not very popular now, are you?

Mr. Hearn: I was always very popular. Actually, I am not half as popular as I was when I was Minister. And all you have to do is talk to the teachers and ask them to do a rating. I mean, maybe somebody should do a poll on the Minister of Education and myself - who would you rather have in the Department right now? Or the President of Treasury Board and the former President of Treasury Board. And do a rating with teachers - who would you rather be negotiating with?

I see back in the fold - earlier when I spoke this today, I talked about the important discussions which took place here in the House. On Saturday we were discussing an important bill affecting the incomes of poor people, especially people who

would be on fixed incomes, and I was talking about the Minister of Social Services when we were talking about the tax on -

An Hon. Member: On Saturday?

Mr. Hearn: On Friday, I am sorry. It went so late Friday, I thought it carried over to Saturday - the same difference.

But the Minister was there talking about cucumber recipes. While we were talking about the poor people of the Province, he was here was talking about cucumber recipes.

An Hon. Member: (Inaudible).

Mr. Hearn: Maybe to sum up for this afternoon, but we have a lot more to say on it yet. On the weekend, I was approached by somebody who was rather disgusted with the Minister of Social Services, how while we were talking about serious things, he was talking about cucumbers and pickles. They said, Did you ever notice that the Minister who talked so much about pickles has all the characteristics of a pickle? They listed them, and I will just read them out: They said, green; not knowing very much; wrinkled; sour looking; all wet; usually found hanging around with other vegetables; looking at you through glass - of course, pickles are usually in a bottle - and, finally, leaves a sour taste in your mouth.

So, Mr. Speaker, it is almost five o'clock. I do not have to adjourn the debate, I understand, we are in Committee and I will pick up on it again tomorrow.

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

Mr. Baker: Thank you, Mr. Speaker.

I would like to proceed with the other Pension Act, Bill No. 14, at some point, as well as the three, for the information of the Member for Humber East, Justice bills, The Powers Of Attorney, The Judicature and Small Claims. These are what I would like to get to next.

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

Mr. Simms: In that order? Is he saying that after he finishes Bill No. 5, The Teachers' Pension Act, that he will move to the Money Purchase Bill, Bill No. 14, before he goes to the Justice Bills? Can he give us some indication, or will he go to the three Justice Bills after The Teachers' Pension and then go to the Money Purchase one?

Mr. Speaker: The Government House Leader.

Mr. Baker: I am easy. It really does not matter to me. I know Members opposite need to have their critics in place and so on, so I am willing to leave it to the beginning of the day tomorrow, and whichever critic is in place at the beginning, that is what I will go with, I will go with the Bills associated.

Mr. Simms: Could I ask the President of the Council then, if that is the case, we will proceed with Bill 5, presumably until this is finished, and then do the three Justice Bills?

Mr. Baker: Sure. No problem.

Mr. Simms: The critic will be here. The Money Purchase one might require a bit more debate,

possibly.

Mr. Baker: Okay.

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

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

On motion, the House at its rising adjourned until tomorrow, Tuesday, June 5, at 2:00 p.m.