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Speaker: Honourable Thomas Lush

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The House met at 9:00 a.m.

Mr. Speaker (Lush): Order, please!

Before going into our routine business, on behalf of hon. Members I would like to extend a welcome to the public galleries today eighteen people from WISE programme - Women Interested in Successful Employment - with their coordinator, Helen King.

Some Hon. Members: Hear, hear!

Oral Questions

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

Mr. Rideout: Thank you, Mr. Speaker. Mr. Speaker, I have a question for the Minister of Forestry and Agriculture. The Minister will be no doubt be aware that the Reitman family owns the controlling shares, or holds most of the controlling shares, in Abitibi-Price. And the Minister, no doubt, will also be aware that the Reitmans, over the last several months in particular, have been divesting themselves of a number of their interests. For example, the 12.5 per cent stake they held through Gulf Canada in the Hibernia project, as the Minister knows, is now up for sale.

I would like to ask the Minister whether or not he would tell the House whether the Government had been advised that Abitibi-Price paper mills in Newfoundland, at Stephenville and Grand Falls, are possible candidates for divestiture by the Reitman family?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: No, Mr. Speaker. I acknowledge as being a fact everything that the -

An Hon. Member: Can't hear you!

Mr. Speaker: Order, please!

Mr. Flight: I acknowledge as being factual all, I guess, of the comments the hon. the Leader of the Opposition made in his preamble. But to this point in time we have not been notified that Abitibi-Price is a subject of divestiture by the Reitmans or by Abitibi-Price. There has, as he knows, been a restructuring of management, that the Abitibi-Price mill, the Stephenville mill, and a paper mill in Scotland has been put into one unit, under new management structure; a Vice-President of Abitibi-Price is in charge of that operation.

Abitibi-Price, as the Leader of the Opposition would also know, the Grand Falls unit, have been having some difficult times over the past year or so. They have been in a loss situation, and that has been made public by the company themselves and the resident manager. They have also been notified, as he knows, Number 6 has been shut down and there is a lot of restructuring in the mill. And the local management, the unions and the people who depend on the mill the most have been told at various public functions by management of Abitibi-Price that the mill must turn around and must become competitive.

And unless there was a change recently, there was a time limit set on it. Abitibi-Price, the union and the employees and everyone who has an interest, know they have two or three years in

order to turn the mill around and make it profitable. That, in itself, causes some people to wonder whether or not it would one time become a subject of divestiture. However, at this point in time, no, Mr. Speaker, we have not been notified. Very recently, for that matter, I have put that question to responsible people with Abitibi and I have always gotten a negative answer, up to the last time the question was posed, that there was no intention, or at least it was not the company's intention to sell the Abitibi-Price mill in Grand Falls.

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

Mr. Rideout: A supplementary, Mr. Speaker. Mr. Speaker, I thank the Minister for his answer. Can the Minister confirm for the House that Government has been advised that Abitibi mills at Stephenville and Grand Falls, along with all Abitibi mills across the country, have been put on a stand-alone basis? In other words, the mills at Grand Falls and Stephenville must show a profit in their own right, there will be no further cross-subsidization of any mills across the Abitibi system so that, therefore, they must become profit centres, and if they do not become profit centres, they, in fact, go on the block? Can the Minister tell the House if the Government has been advised of that situation?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: Mr. Speaker, I suppose it depends on the way one wants to put the question. Have they become profit centres? No, Mr. Speaker, I do not think they

have become profit centres. He is right about the restructuring which I mentioned earlier, that Abitibi-Price in Stephenville and Grand Falls is no longer part of their units, they make it on their own. At one point in time, to explain a little, it appeared that if the mill in Grand Falls lost money in a given year of operation and the rest of the Abitibi mills made money, then it was presumed that it was -

An Hon. Member: (Inaudible).

Mr. Flight: Right. The fact that Abitibi itself, the conglomerate, was profitable, then there appeared to be not much problems or worries about Grand Falls.

Now, Mr. Speaker, the two units in Newfoundland and the one in Scotland, I guess, have been put on a stand-alone basis, and they have been put on notice that they must turn their operation around and they must make a profit. However, in fairness, Mr. Speaker, the last information that I had, and this is factual information, is that Abitibi-Price recognized that there were problems in Grand Falls, restructuring problems, labour problems, various problems that made their cost of production higher than in some of the other mills in the system, and we have been informed, and they know, that they have some time. As a matter of fact, things are turning around in Grand Falls, or the recent statistics out of the mill, production and cost of production certificates -

Mr. Speaker: Order, please!

I find a lot of loud noise this morning. It is like when a person is in a classroom and he is trying to do something and he does not

know exactly what the problem is. I have been trying to concentrate on the Minister's answer and I seem to be distracted. So I ask hon. members please to keep their conversations for outside the House, and I ask the hon. Minister to finish his answer, please.

Mr. Flight: Mr. Speaker, I do not think they have been designated as profit centres as such, but everyone knows that the Abitibi-Price Mills in Newfoundland will, over the next two or three years, have to get their operations to such a point where they will stand alone, or they may well be considered for divestiture.

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

Mr. Rideout: A supplementary, Mr. Speaker. Mr. Speaker, the minister has confirmed now in parts of previous answers that neither Stephenville nor Grand Falls at the moment are profit centres. I want to ask the minister whether or not he can tell the House, in view of escalating electricity costs in the case of Stephenville in particular, and in view of a wood supply problem for both mills, as the minister knows, have officials of Abitibi-Price given the minister any reason to believe that they have confidence that those operations will indeed meet the company standards of stand-alone profit centres over the next, say, three to five years?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: Mr. Speaker, in the case of the Stephenville mill, I am not sure that the Stephenville

mill is not already - it depends on what the member means by a profit centre, whether or not Stephenville is making a profit. I think Stephenville is making a profit. Stephenville is not in the same category, Mr. Speaker, as Abitibi-Price Grand Falls. And yes, Mr. Speaker, Abitibi-Price in Grand Falls have spent over the last couple of years millions of dollars and have committed to spend millions of more dollars on remodernization. They are in the planning stages of building a power plant on the Exploits River, very close to the mill. They are spending a lot of money on determining their wood supply, their inventory. They are doing the kinds of things, Mr. Speaker, that would not lead one to believe that Abitibi-Price did not have confidence in the future of that mill, and that those mills were not intended to be there for the long haul.

However, Mr. Speaker, given the business climate in the world today, particularly in the newspaper industry, who knows? But at this point in time there is no real reason to believe that the status of Abitibi-Price Grand Falls or Stephenville will change. And with regard to the high cost of power in Stephenville, I will simply say to the hon. the Leader of the Opposition that we are aware of that, and I am also aware that the management of Abitibi-Price in Stephenville is having discussions with the Minister of Mines and Energy responsible for Hydro, and Government, with a view to looking at the high cost of electricity.

Mr. Speaker: The hon. the Leader of the Opposition on a supplementary.

Mr. Rideout: Thank you, Mr. Speaker. Well, Mr. Speaker, in view of the seriousness of this matter for Stephenville and Grand Falls, and in view of the seriousness of it for the economy of central Newfoundland and the Bay St. George region, can the minister tell the House when was the last time he met with the Chairman of the Board of Abitibi-Price to discuss this very serious matter as Minister responsible for forestry in the Province? And can he tell the House what steps he and the Government are prepared to take to ensure that the Grand Falls and Stephenville mills are not put on the block by Abitibi-Price?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

An Hon. Member: None.

Mr. Rideout: None, says Mr. Gilbert. Did you hear that?

Mr. Flight: Mr. Speaker, I cannot be date specific as to when I met with the Chairman of the Board of Abitibi-Price - not date specific. I will get the date, the time. It was late this summer, I think, Mr. Speaker. But, in the meantime, what the hon. member should know is that one of the changes which has happened - and if the hon. Speaker will allow me for a minute, as he knows, and if the Member for Grand Falls were here he would know, that up until this point in time whenever there was a major problem in Grand Falls, the advice one got on the street or anywhere was there is no point talking to resident management in Grand Falls, you have to go to Toronto, for instance.

Mr. Rideout: To the Chairman of the board.

Mr. Flight: Chairman of the board. Well, now, Mr. Speaker, part of the restructuring, that is one of the changes as well. And I have been notified from the top management of Abitibi-Price that the resident manager is Mr. Collez in the case of Grand Falls, and a Vice-President with total responsibility for the Scotland mill, the Stephenville mill and the Grand Falls mill, and any questions I have or any information I want, I am directed to talk to the resident mill managers and, Mr. Speaker, and the vice-president in charge of the Newfoundland operation, and the vice-president in charge of the Newfoundland operation, Mr. Speaker, is one, Mr. Loretto, out of New York, and the hon. Leader of the Opposition will be pleased to know that I have a meeting set up with Mr. Loretto for the 11th of December.

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

Some Hon. Members: Hear, hear!

Mr. Woodford: Mr. Speaker, my question is also to the Minister responsible for Forestry. Would the Minister tell the House if he is aware of a statement by the Dominion Bond Rating Agency Service out of Toronto and also by the Canadian Bond Rating Agency Service, that is an agency service that monitors the financial status of many large companies in Canada, and they usually take an outlook for the next twelve to eighteen months, that they have cut its rating on debt issued by the Toronto based Abitibi-Price Incorporated, from an R1 low to an R2 high and also that the rating

for their senior debt, including debentures and preferred shares has dropped from triple B to a triple B high?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: No, Mr. Speaker, I have to advise the hon. Member for Humber Valley that I was not aware of that fact, but however, if - I thank him for the information, Mr. Speaker, but also would like to ask him for his source.

An Hon. Member: Oh, oh! Not a letter from you.

An Hon. Member: Do not try that game.

Mr. Speaker: Order, please!

The hon. the Member for Humber Valley.

Mr. Woodford: Mr. Speaker, if the Minister is looking for letters I could probably produce them. But my supplementary, Mr. Speaker: would the Minister be aware that the same bond rating agency, the Dominion Bond rating agency out of Toronto also considers Abitibi-Price to be too risky for the traditional corporate debt market, right now?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: No, Mr. Speaker, I am not aware of that, but I am aware of something else, that those kind of questions, Mr. Speaker, are doing very little to bolster the confidence of the people who work with Abitibi-Price in Grand Falls.

An Hon. Member: (Inaudible).

Mr. Flight: I am also aware of the great effort that Abitibi-Price have put into that mill this past six or seven or eight months and what the labour unions have put in, in order to make sure that Abitibi-Price in Newfoundland remains viable and continues to support the economy of Central Newfoundland and I am aware that those kind of questions asked publicly do nothing for the confidence of either the people or the company.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please!

The hon. the Member for Humber -

Mr. Tobin: It is not nonsense, it is truth.

An Hon. Member: (Inaudible).

Mr. Tobin: If it is not true put your seat on the line.

An Hon. Member: Put yours on the line.

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

Mr. Woodford: Mr. Speaker, I wonder -

Mr. Tobin: (Inaudible) wind up a clock.

Mr. Woodford: - in the downgrading of the debt of Abitibi-Price, would the Minister be aware of a statement by the Dominion Bond rating agency which also said that the Balance Sheet is below average, and even with careful management of working capital they expect the proportions of debt to be near 40 per cent, which is too high for a cyclical company operating in the

forest products industry?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: No, Mr. Speaker, I have to tell the hon. House that I am not aware of the details as he has put them out, but I will guarantee the House, Mr. Speaker, that I will determine the validity of the statements. I presume he is taking them out of the, as the hon. the Leader of the Opposition said, out of the latest stock market reports or whatever. But there is a fact of life, Mr. Speaker, he is talking about the Abitibi-Price picture. Abitibi-Price operates mills all across Canada. I presume the statistics he is giving the House do not apply to the Abitibi mill in Grand Falls or Stephenville, Mr. Speaker.

An Hon. Member: No.

Mr. Flight: So the point I am making, Mr. Speaker, is that Abitibi-Price have notified this Government and notified me recently that they intend to borrow \$230 million maybe to build a power plant. They are borrowing money or they are finding money to upgrade the mill in Grand Falls, modernization, they indicated in excess of \$100 million over the next ten years. And I would say again, Mr. Speaker, the tenor of those questions will not help Abitibi-Price in making sure that they find the kind of capital that they have to put into the mill in Grand Falls.

Some Hon. Members: Oh, oh!

An Hon. Member: (Inaudible).

Mr. Woodford: Mr. Speaker.

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

Mr. Woodford: Mr. Speaker, this is by no means scaremongering. It is just a precautionary thing. The Dominion Bond Rating Agencies and the Canadian Bond Rating Agencies usually look forward to the next twelve to eighteen months. I would like the Minister to do the same. It is a very important industry to this Province.

Some Hon. Members: Hear, hear!

Mr. Woodford: This is not scaremongering in any way.

My final supplementary, Mr. Speaker. I wonder then, if the Minister figures I am scaremongering, could he check out an interview that a spokesperson for Abitibi-Price gave to The Globe and Mail on November 23 and see if that is true? I will just quote one statement. He can probably check with them. Abitibi-Price spokesperson, Sharon Paul said in an interview, 'We have made it very clear that we are taking an aggressive stance in restructuring and cutting our costs to make sure we are lean.' And they are talking about primarily, Mr. Speaker, the mills in Eastern Canada, and one does not have to go too far when you are talking about Abitibi-Price to know what mills she is talking about.

An Hon. Member: Every mill in Canada is doing the same thing.

Mr. Woodford: Eastern Canada.

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: Mr. Speaker, as Minister of the Department of Forestry and Agriculture, I have done everything to bolster the confidence of the people of Newfoundland -

Some Hon. Members: Hear, hear!

Mr. Flight: - and to bolster the confidence of employees of Abitibi-Price, Mr. Speaker, in what has been an adverse time for the paper industry. Abitibi-Price in Grand Falls have survived, they have come through three strikes this year, one in the mill itself, one in the logging industry, and then a national strike. It survived the shutdown of a paper machine, Mr. Speaker, and still they are approaching the future with confidence and committing a lot of money.

Some Hon. Members: Hear, hear!

Mr. Flight: Mr. Speaker, the hypocrisy of the line of questions is this, if one would think about it: for the first two or three questions in the Question Period the Leader of the Opposition wanted to establish the fact that Grand Falls was now a unit unto itself, now had to stand alone. It was not dependent on any other mills in the Abitibi system, and that is true. So if that is true then why should the bonding of Abitibi-Price all across the country apply to the mill in Grand Falls.

Some Hon. Members: Hear, hear!

Mr. Flight: Either the mill in Grand Falls and Stephenville will be profitable, as the hon. Leader of the Opposition pointed out, or they will not be, and they will depend on their own set of ratings. And, Mr. Speaker, the

hon. member -

Some Hon. Members: You are gone out of your head, boy.

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

Mr. Flight: No, you are gone out off your head - you are -

Mr. Speaker: Order, please!

Mr. Flight: - trying to twist something -

An Hon. Member: (Inaudible).

Mr. Speaker: In order for Question Period to be effective, there has to be a reasonable amount of order. There has to be a reasonable noise level, otherwise nobody hears what is going on. I would ask the Minister please to finish up in fifteen seconds.

Mr. Flight: Mr. Speaker, like I said, Grand Falls or Stephenville are stand alone units, their survival depends on their performance.

Some Hon. Members: Hear, hear!

Mr. Flight: They cannot be both. They cannot depend on the units across the rest of the country.

An Hon. Member: Take a course in economics.

Mr. Flight: And so, Mr. Speaker, I would wind up my answer by simply saying this, as I said I have gone out of my way this past eighteen months to develop and protect and defend and maintain a level of confidence in Abitibi-Price. In the past three minutes I have seen that eighteen months destroyed by an effort to

destroy -

Some Hon. Members: Hear, hear!

Mr. Flight: - the confidence of the people of Newfoundland and Labrador-

Some Hon. Members: Hear, hear!

Mr. Flight: - irresponsibly.

Mr. Speaker: The hon. the Member for Port au Port.

Mr. Hodder: Mr. Speaker, another question to the Minister for Forestry. A year ago the manager of the mill in Stephenville said that under the escalating power rates as they are escalated now, if there is not some leniency given the Stephenville mill they will lose a profit. It is a narrowly profit making mill at the present time but without some help from Government they will not be able to continue to be in a profit making situation. Now, Mr. Speaker, that was very publicly said in this Province and nothing has been done. What I am asking the Minister is what the Government is doing now, and the Minister referred to it when he spoke to the Leader of the Opposition, what is the Government doing at this present time to make sure that the rates are compatible with an economic mill in Stephenville?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: Mr. Speaker, I am not sure that the rates - the last words the hon. member used in his question was what is the Minister doing to make sure that the rates are compatible with an economic mill in Stephenville. Well, Mr.

Speaker, I am not sure the rates (inaudible) compatible with an economic mill, whatever that means. But what I can tell the hon. member from Port au Port is that, as I stated earlier, that the management in Stephenville as management, as managers of any company or operation in Newfoundland today is looking at keeping the costs of electricity down and concerned about the cost of electricity, Mr. Speaker, as I have pointed out earlier. The management is talking to the officials of Newfoundland Hydro, talking to the Minister of Mines and Energy, and the Minister of Mines and Energy is looking at the situation and in due course will advise the management and mill whether or not there is any relief or not or whether or not the rates are what they have to be. So, Mr. Speaker, the issue of cost of electricity to the mill in Stephenville is in the final analysis the business of the Minister of Mines and Energy and the Government collectively.

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. the Member for Port au Port.

Mr. Hodder: Mr. Speaker, now I asked this question to the Minister of Mines and Energy over a year ago, now I am asking the Minister of Forestry he only has three mills, if there is only three mills in the Province and only three he has to look after. Now, Mr. Speaker, I have asked this question. I asked it a year ago and I did not get an answer and I am asking now, it is a well know fact that that mill cannot continue to operate under the escalating cost of electricity in this Province, and I will ask the Minister again can he tell us what

he is doing to make sure that the Stephenville mill will be a viable operation, particularly in light of the facts that have been raised here this morning?

Mr. Speaker: The hon. the Minister of Forestry and Agriculture.

Mr. Flight: Mr. Speaker, it is not - the hon. member says it is a well known fact that that mill cannot continue to operate at the present cost of electricity.

An Hon. Member: Escalating costs.

Mr. Flight: Escalating costs. It may start de-escalating. How does the Member know what will happen -

Some Hon. Members: Oh, oh!

Mr. Flight: Mr. Speaker, the Member just indicated that the mill in Stephenville is very marginally profitable but they are making a profit, even with the cost of electricity. And I can assure the member again that the Member for Stephenville, who represents the mill, is talking to the Minister of Mines and Energy and myself daily, as well as other ministers responsible and we are going to do everything we can do, Mr. Speaker, to make sure that confidence is maintained in that mill and the mill continues to operate, and we are not going to take part in the kind of confidence-destroying debate we have had here this morning.

Some Hon. Members: Hear, hear!

Some Hon. Members: Answer the question. Answer the question.

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

Mr. Hearn: Thank you, Mr. Speaker. Mr. Speaker, just recently, the Minister of Education told the House that decisions had not been made to implement his long-term plan to cut costs in education. He also said he has found a way to reduce costs without affecting the delivery of programs to students. I want to ask the minister, has the Central Newfoundland Community College informed school boards in Central Newfoundland that beginning in 1993 the prevocational program for high school students will be cancelled at the vocational schools in Lewisporte, Gander, Springdale, and Baie Verte?

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

Dr. Warren: Mr. Speaker, the hon. member is well behind the times. I think about a year ago the boards were notified that over a three year period these programs would be downsized and perhaps eliminated. This was announced about a year ago.

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

Mr. Hearn: Will the minister confirm then, Mr. Speaker -

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

An Hon. Member: (Inaudible).

Mr. Hearn: Will the minister confirm then that the cancellation of the prevocational program in Central Newfoundland will mean the loss of programs in industrial arts, home economics, and business education for over 1,500 high school students, and the

elimination of twenty teaching positions?

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

Mr. Hewlett: Laugh at that one!

Dr. Warren: No, Mr. Speaker, I do not know the details of that. But a year ago, when the boards were notified, the boards are looking at other options and our hope that programs will be developed in the school system. The hon. member must know what has happened. If he did not know, perhaps his hon. colleague, who was the Minister of Career Development, would tell him that in most schools throughout the Province now the vocational schools are not being used for vocational and industrial purposes, that the school systems have taken it over. But because the former Government did not provide enough money to build the shops for the expanded high school programs, some programs are limited. We will have to try to find other ways of addressing this need in the school system.

I am not sure if there is anywhere else in the Province at the present time where the high schools use the vocational schools as they do in Central Newfoundland. So we are looking at other options, and we will work with boards over the next two or three years to provide other options.

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

Mr. Hearn: I may say to the minister that the Principal of the Vocational School in Springdale has said that in the Green Bay area alone 480 students will be affected and six teaching

positions will be eliminated.

Will the minister confirm then that he has instructed all community colleges to cancel prevocational programs in 1993, depriving thousands of high school students of courses in home economics, industrial arts, business education, and eliminating at least sixty teaching positions overall? And will he confirm these teaching cuts are in addition to the three year reduction of 350 to 450 teachers, which he communicated to school boards earlier? Or maybe the minister in his last answer is using the same old tired phrase, that no decision has been made? Is he, in the memorable words of his colleague, the Minister of Forestry, just playing games? Or is he skirting around the questions, as the President of Treasury Board says all ministers do?

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

Dr. Warren: Mr. Speaker, I could start rumours that there are thousands of teachers going to be laid off. I mean, this kind of thing -

Some Hon. Members: Oh, oh!

And hon. Member: Millions. Millions.

Dr. Warren: I mean, thousands and thousands.

Some Hon. Members: Oh, oh!

Dr. Warren: He loves talking about all these rumours. Mr. Speaker, I think the hon. Member should get the former Minister of Career and Development to give him some in-service education - and he

will not need a substitute — on how the post-secondary system operates.

Let me take a minute to tell the hon. Member that the post-secondary system is globally funded, so the colleges themselves determine what the priorities are; they decide what programmes they are going to keep, what programmes they may downsize in any one year. They do it all the time; they are given a global budget. So we have asked the colleges to look at what might happen if there is a freeze next year, and they are going to make the decisions as to what programmes —

Some Hon. Members: Oh, oh!

Dr. Warren: They are the ones who made it in the past. My hon. friend can get together after and tell him how the post-secondary system is funded. It is globally funded, and they will make the decisions. Let me repeat one thing. The hon. Member — he was right. No decisions have been made, Mr. Speaker, all the options are being examined.

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

Mr. Doyle: Thank you, Mr. Speaker. I have a question for the Minister of Employment and Labour Relations. Under the new Unemployment Insurance regulations, there will be anywhere from 2,000 to 3,000 people, according to the Unemployment Insurance Commission, in the St. John's area, in the metro area who will not qualify for unemployment insurance, and there might be other areas in the Province in the same boat. These people are going to be in serious trouble this winter from a

financial point of view. I would ask the Minister if the Department of Employment and Labour Relations will be initiating any employment programs this winter to help those people who will not now qualify for unemployment insurance qualify?

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

Ms. Cowan: At this particular time, we have not decided to put any employment programmes in place for that particular group. There has been a showing of some strength in the Avalon region as far as employment is concerned. So I am watching that, Mr. Speaker, along with the fact that the new UI regulations are having a negative impact on some of our people who live in region one of the UI area. I am not sure if there will indeed be thousands, as my hon. critic is saying here this morning, but certainly the thing is being monitored, and if the need arises, we will put employment programmes in place.

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

Mr. Doyle: A supplementary. I could say to the Minister that the figures I am using are not my own. It is the Unemployment Insurance Commission who have supplied these figures.

The Minister will aware that the boundary around St. John's for Unemployment Insurance purposes extends out to the community of Seal Cove, in Conception Bay. In other words, all communities east of Seal Cove are in the St. John's region for UI purposes. I will ask the Minister if she has been in touch with the Minister of Employment and Immigration to

request that the City of St. John's be designated a region onto itself, since the communities back towards St. John's have unemployment rates much higher than the unemployment rate in the city itself?

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

Ms Cowan: It is because of the Minister of Employment and Labour Relations, and because of the stand of this Government that this is not the case all over the Province of Newfoundland. It was because of the presentation that was taken to Ottawa and presented to the hon. Ms McDougall that the regions were changed and that fortunately, now, people in other parts of Newfoundland are able to get their UI with only ten weeks. He can be assured that I am still very concerned about the St. John's area and had mentioned it to the Minister when I last saw her, which was only a month ago, and certainly will bring it to her attention again as soon as I have opportunity. But I do not intend to harass the woman.

An Hon. Member: (Inaudible).

Ms Cowan: She also has people reporting to her daily and is well aware of the situation in the Province, and has assured me that she will continue to monitor it.

Mr. Speaker: Question Period has expired.

Before proceeding to the next item of business, on behalf of hon. Members I would like to welcome to the public galleries today two classes of seventy-six Grade IX students from St. Peter's Elementary School in Mount Pearl,

accompanied by their teachers, Dave Denine, Chris Hatch and Geoff Seymour.

Some Hon. Members: Her, hear!

Answers to Questions for which Notice has been Given

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

Dr. Gibbons: Thank you, Mr. Speaker. Mr. Speaker, yesterday I took notice of a question from the Member from Green Bay because I had not seen a copy of The Power Connection from Newfoundland Light and Power for the fall. Now that I have seen it, I would like to reply.

Frankly, I consider it a bit unfortunate that that particular article was included in The Power Connection, because it confuses the whole issue of power increases. There is not a power increase on January 1 of 20 per cent, as the impression was given yesterday. That particular issue referred to some history. Last February, Light and Power got a 4 per cent increase. They went before the PUB and that was approved - last February. Last July, Newfoundland Hydro got a 5 per cent increase from the PUB. The other thing that happened last year was an adjustment to the rate stabilization plan. Now everybody knows that the rate stabilization plan is an automatic adjustment plan that replaces something that was formerly called a fuel escalation charge. Last year, that adjustment to account for fuel price changes, etc., was about 4 per cent. So these increases all totalled 13 last year.

If the GST comes in on January 1, we will see a 7 per cent increase from the Federal Government on January 1. No other things have been decided yet for 1991. It is my understanding that Light and Power will not be requesting a hearing before the PUB this year. I am not sure yet what Newfoundland and Labrador Hydro will be doing in 1991, but they are not ready to go with the normal review that they would have asked for this winter. They will probably be going in some time later.

But, next July 1, the one thing that we are sure of is another rate stabilization plan adjustment, reflecting fuel charge changes this year.

An Hon. Member: Prices could change (Inaudible) a year, in this day and age.

Petitions

Mr. Speaker: The hon. the Member for Port au Port.

Mr. Hodder: Mr. Speaker, I beg leave to present a petition on behalf of 148 residents of the District of Port au Port. This petition is part of the petition which was submitted yesterday by the Member for Stephenville, and the total petition now is 3,197 names, the original signatures.

Now, Mr. Speaker, the petition itself represents somewhat the same sort of thing the hospital does, in that it serves the District of Port au Port, the District of Stephenville, and a large part of the District of St. George's.

And while the signatures which are affixed to this particular petition I have here are mostly from Port au Port, the petition was taken up throughout the whole district, and I have been asked by the Hospital Committee to present those on behalf of the residents of the District of Port au Port.

Now, Mr. Speaker, the hospital in Stephenville, the Sir Thomas Roddick Hospital, is some thirty years old. It serves, as I said, the region from Robinsons down through to St. George's -- Stephenville Crossing, and through to Cape St. George and Lourdes in the District of Port au Port, and perhaps out as far as Gallants on the northern side.

Mr. Speaker, the hospital itself was a hospital which was left by the Americans to the Province. It needs replacement in the long run, and certainly, Mr. Speaker, it needs new services. The personnel who work in that hospital, which is an old hospital, are to be commended for the enthusiasm with which they carry out their jobs under very trying circumstances, because of the limitations of the building and the services.

Now, Mr. Speaker, the people are asking that the services be maintained as they have been in the past. And, Mr. Speaker, the Government must increase the budget of the Department of Health, particularly for these institutions, because of the rising cost of operating these institutions. Now, Mr. Speaker, we have heard and we know in this House and in this Province, that the negotiated salary and wage benefits which have taken place this year, a pay equity implementation, worker's compensation premium increases,

all of that sort of thing, plus, Mr. Speaker, the normal increases, because health care increases are higher than others - health care does not increase by the normal inflation rate.

So, Mr. Speaker, when the Government says, as the Premier said yesterday in response to this same petition, or this same prayer, that they have no intention of cutting funding, Mr. Speaker, that begs the question. Because, Mr. Speaker, in the case of the health care institutions across this Province, a freeze is a cut. Certainly the Sir Thomas Roddick Hospital has voluntarily cut back on hospital beds over the past two years, and if there is a freeze, it will mean ten or twelve patient beds will have to close. Now, Mr. Speaker, that will mean that the hospital will have 60 per cent less patient beds than it had when it first opened, in 1966. Mr. Speaker, the hospital has shown leadership by voluntarily reducing its bed size, and it is asking the institution to do more than it can really endure, to cut back further.

So, Mr. Speaker, I would just like to read from a letter which was written to me by the Action Committee Chairperson. She said, 'This action on the part of Government means that a significant reduction in the number of patient beds and the level of service that the hospital is capable of providing will take place.'

Mr. Speaker, they encourage my support to find a more humane and appropriate solution to the problem, and I would ask the Government, I would ask the Minister of Health if he would accede to the request of the

people of Bay St. George and the hospital committee.

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

Ms. Verge: Thank you, Mr. Speaker. I am glad to support this petition, as I supported the similar petition presented by the Member for Stephenville yesterday.

I agree with the petitioners that the Government should provide an adequate level of funding to the Sir Thomas Roddick Hospital in Stephenville so the hospital can maintain and provide to the people of the Bay St. George area health care services. An adequate level of funding, Mr. Speaker, surely involves an increase in the 1990-91-92 Budget Year over the level of funding provided this year. An increase is absolutely essential because of rising costs imposed by the Provincial Government and Government agencies. The Government has agreed to salary and benefit increases for hospital employees. The hospital agreed to increases for nurses, and the hospital put wages and benefits for other hospital workers to arbitration and, of course, accepted the arbitrated rulings. So there will be substantial payroll associated benefits, cost increases at the Sir Thomas Roddick Hospital as in all other hospitals and nursing homes in the Province over the next couple of years.

Additionally this present Government has honoured the commitment of the previous Government in introducing pay equity for female workers in health care institutions, and the cost of instituting the principle of equal pay for work of equal value in the health care sector is

estimated at several million dollars.

And finally the Workers Compensation Corporation has assessed staggering premium increases on hospitals and nursing homes. So if the Sir Thomas Roddick Hospital is to maintain simply the present level of services the hospital absolutely has to have a budget increase next year. And it is about time that the Minister of Health assured people that the Government is not going to freeze the budget of the Roddick Hospital or for that matter any hospital or nursing home in the Province. To freeze hospital budgets will be to cut hospital services and force the closure of beds. And as every one in the Province knows the members opposite got elected on the strength of definite promises to improve health care and open more hospital beds.

Now as I commented yesterday, I am sure the Member for Stephenville never dreamed that if he and his party were successful in filling a majority of seats in this House that he would be put in a position of having to present a petition of his constituents begging the Government not to cut hospital funding, since he and his leader crusaded on a platform of boosting health care budgets.

Mr. Speaker, the Sir Thomas Roddick Hospital provides essential medical and health care services to the people of the whole Bay St. George region, as the Member for Port au Port mentioned that comprises three Provincial Districts, the Districts of Port au Port, Stephenville, and St. George's. And I certainly agree with all the residents of that area who signed

the petition presented by the Member for Port au Port, as well as the one presented yesterday by the Member for Stephenville, in asking for the Government to provide an adequate level of funding for their hospital in Stephenville.

Thank you, Mr. Speaker.

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

Mr. Decker: Mr. Speaker, I thank the hon. Member for Port au Port for bringing that petition from his constituents to this House today. It is always a great pleasure for Government to receive petitions from people in the Province because we are an open Government who want to listen to the people throughout this Province. But it also gives us an opportunity to speak back to the people and to tell them some of the hardships which the Government is going through.

On April 20, Mr. Speaker, just over a year ago the previous Administration died. They passed away. They were turfed out. Mr. Speaker, on May 5, this Administration opened a will of the previous Administration. And what a legacy we found. What a legacy! Four hundred and eighty-five million dollars of this Province's money has to be paid out in interest payments on a debt that the other Administration ran up, like a bunch of drunken sailors, who just spent, spent, spent.

Some Hon. Members: Hear, hear!

Mr. Decker: \$118 million, Mr. Speaker, of our money has to go in debt retirement. The Province owes, including the guarantees to

the Crown corporations, \$5.6 billion, Mr. Speaker, which was piled up year after year, after year, by the previous Administration.

An Hon. Member: He has the down

Mr. Decker: Mr. Speaker, another \$2 billion, the Province is liable for another \$2 billion because the previous Administration did not have the will to consider the problems in the pension fund, Mr. Speaker. Personal income taxes in this Province have raised to 60-odd per cent of the federal income tax, Mr. Speaker. Retail sales tax had risen to 12 per cent, the highest in Canada, Mr. Speaker. Gasoline taxes is ten or twelve cents on a litre, Mr. Speaker, so the previous Administration has used up all our capacity to borrow, all our capacity to tax, Mr. Speaker, yet in spite of all that, in spite of all that, this Administration started to put into effect our plan for hospitals and our plan for education, Mr. Speaker, evidenced by the \$150 million.

Some Hon. Members: Hear, hear!

Mr. Decker: Evidenced by the \$150 million that we - Mr. Speaker, we put money into the hospital in Stephenville, more money that had been put in in any single year in the past ten years we put into the Stephenville hospital, however, the final straw which broke the camel's back was brought upon us by friends and colleagues of the hon. members in the Opposition, their friends in Ottawa who induced a recession. Now, Mr. Speaker, with a debt of \$5.6 billion, with interest rates the way they were pushed up, with the personal income tax capacity

all used up, this Government had no choice but to try to bring things back into some kind of perspective, so we had to interrupt temporarily what we intend to do in Stephenville, what we intend to do in Central Newfoundland, Mr. Speaker, but I have a bright hope, I have a bright hope for the future of health in this Province, Mr. Speaker, but that bright future is not just out there waiting for us to catch up, it is not existing in some cynical view of the universe waiting for us to roll around to the age of gold. We will only reach that if we lay today a solid foundation, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Decker: We will deliver good health care, we will deliver good education, we will deliver a healthy future hope for this people if we today lay that solid foundation, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Decker: And that is essentially what we are doing. So, I say to the people of Port au Port, thank you for your petition. We are listening to what you are saying, we intend to do what we can do, but we are laying a solid rational clear-cut foundation today so that we can deliver tomorrow the health care that the people of Port au Port and the health care that the people of Newfoundland and Labrador deserve, and we are going that, Mr. Speaker, in spite of the fact, in spite of the fact that the previous administration gutted the economy of this Province and almost -

Some Hon. Members: Hear, hear!

Mr. Decker: And, Mr. Speaker, came within a fraction of, in the words of the previous Premier, of putting us back to the 1930s all over again. Thanks be to goodness that this Administration came in the nick of time, in the nick of time, to save this Province's health care and education and all the other sectors that Government is responsible for.

Some Hon. Members: Hear, hear!

Orders of the Day

Mr. Baker: Order 18.

Motion, second reading of a bill, "An Act To Amend The Corporations Act," (Bill No. 46).

The hon. the Member for Humber East.

Ms. Verge: Mr. Speaker, I believe Bill 46 is the Act to amend the Human Rights code -

Mr. Speaker: Sorry.

Ms. Verge: - and I adjourned the debate yesterday afternoon.

Mr. Speaker: I made the wrong one.

Order, please!

Mr. Rideout: Mr. Speaker, nobody -

Mr. Speaker: Order, please!

I have on a number of occasions in the last couple of days stood to rise on a point of order and hon members ignored it completely. I want hon. members to know again that when the Speaker rises there is suppose to be absolute, total silence in the House, and I am not going to tolerate that any

longer. Hon. members can refuse to listen and they can pretend that something is not happening, but I am certain that hon. speakers know or hon. members know that I am standing, and I am going to use the authority that is invested in the Chair if I sense it going on much longer. I have asked for order, I have called the second reading of a certain bill, and I want hon. members please to afford the member who is speaking the dignity and the respect that they are supposed to be afforded and to respect the rules of the House.

The hon. the Member for Humber East.

Ms. Verge: Thank you, Mr. Speaker. Yesterday I began my remarks addressing the principle of this bill, which is An Act To Amend The Human Rights Code. I would like to recap briefly the points that I made. I agree -

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

I want again to remind hon. members of my ruling. And again in the past I have noticed when I call for order, as soon as I have taken my place, hon. members carried on from where they previously left off. And I remind hon. members, having been an old time school teacher, that that is one thing that aggravates me. When I call for order I expect it to be given. And I tell hon. members they must listen, because the Chair has invested in it certain authority and this Chair is not at all beyond exercising it, when I am carried to the limit.

The hon. the Member for Humber East.

Ms. Verge: Mr. Speaker, to continue, I would characterize these changes to the Human Rights Code as disappointingly small in scope. On the whole, the bill represents one small step forward, but regrettably a step backward. The first provision of the bill is, I think, positive. It could be much better than it is, but it does represent some improvement. As I mentioned yesterday, I believe it was put forward by the Department of Justice and the Human Rights Commission in response to a particular case which involved a complaint by a man that he was being discriminated against on a basis of sex in the setting of insurance premiums. The question of whether the sale of insurance fell within the ambit of the Human Rights Code was not clear, and ultimately there was a ruling that it fell outside the bounds of the code. That was because the provision dealing with public services was tied to a public place. The old wording is as follows: no person shall deny to a person or class of persons, admission to or enjoyment of the accommodations, services, or facilities available in a place to which the public is customarily admitted. The new wording is much broader and does away with the physical focus. It says: no person shall deny to or discriminate against a person or class of persons with respect to accommodations, services, facilities or goods to which members of the public customarily have access. So, that is positive. It goes on, however, to limit that protection to a certain number of categories. It is regrettable that the categories are so limited. Indeed, the whole code prohibits discrimination on the basis of only certain enumerated types of

discrimination. Other types of discrimination, including some of the most insidious in our society, are left out of the code altogether. I mentioned at the closing yesterday that there is no protection for gays and lesbians. The present Minister of Justice has defended this glaring omission on the grounds that extending human rights protection to gays and lesbians is not popular. Now, the people who are most vulnerable in our society, the individuals most likely to be persecuted are not popular by definition. Jews were not popular in Nazi Germany. And I would say to the Minister and the Government that it is people who are not popular, who are not powerful, who are not well understood and appreciated, who need the protection of the Human Rights Code the most. Most of the individuals in this House are powerful, command respect, and will probably never need a legal guarantee of human rights because of their privileged positions in society. But there are many other individuals, including gays and lesbians, and I am not suggesting that there aren't homosexuals in this House of Assembly, people throughout the Province who are discriminated against on a daily basis and they have no protection under our Human Rights legislation.

Now the Charter of Rights and Freedoms which forms part of the Constitution of Canada puts limits on what our Legislature may do as well as all the other parliaments of Canada, provincial and federal. And all of our laws, including our Human Rights Code, have to be measured against the Charter of Rights and Freedoms. The Charter in section 15 prohibits discrimination and guarantees all the rights and freedoms of the Charter without

discrimination. And the types of discrimination prohibited are not limited. Without discrimination is unqualified. And I would suggest that some day our Human Rights Code is going to be tested in the courts with respect to the Charter and it will be found and judged to be wanting, it will be judged to be deficient and flawed. And I would urge the Government to be proactive instead of reactive or reactionary and advance more amendments to the Human Rights Code to broaden the coverage and to ensure that our provincial Human Rights legislation complies with the Canadian Constitution, meets the requirements of the Charter of Rights and Freedoms.

Now the other part of this bill, Mr. Speaker, is an exemption clause. The other part of the bill sets out situations which are exclusionary. There is a general rule, limited as it is, but then the bill goes on to say that that general rule does not apply to A, B, C, D, E. Now these exclusionary clauses were severely criticized by the Government's own Human Rights Commission, and the Government's own Advisory Council on the Status of Women, two groups that were appointed by the present Cabinet. The Human Rights Commission said as follows with respect to one of the exclusionary clauses 'This amendment appears to protect and even encourage discrimination. For example, none of us would have a problem with a religious organization restricting membership to persons of that religion. But we would not like to see an organization dedicated to the dissemination of educational material about white supremacy given protection by the Code, which is what this amendment may be used to do.'

Now this was written by the Government's own Human Rights Commission, appointed by the Minister opposite, chaired by Eve Roberts a senior lawyer practicing in St. John's.

We feel that this section may have the opposite effect to what was intended and may actually be used to legitimize discrimination. I wonder if the Minister of Education is listening to this because I think he sees himself as an advocate of human rights. Would the Minister of Education like to be part of a government that is amending our Human Rights Code, with whatever good intentions, in a way that the Government's own Human Rights Commission says is going to be counterproductive and may actually encourage discrimination? Would the Minister of Education like to be associated with this kind of a regressive measure?

Now, Mr. Speaker, there is another way to deal with this, and that way is laid out in the Charter of Rights and Freedoms. Section 1 of the Charter says 'That the rights and freedoms set out in the Charter are subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.' Why not use that same language, why not mirror that language in our provincial human rights code. That way, the provincial Government and the provincial Legislature would benefit from judicial interpretations of section 1 of the Charter and we would guard against the dangers raised by the Government's own Human Rights Commission.

When we move into Committee of the Whole, to examine this bill clause

by clause, on behalf of the Opposition, I will be proposing a whole series of amendments to save the positive aspect of this bill, but to delete the negative and dangerous clauses of the bill, and to try to end up with changes to our human rights code that will be overall positive, and constructive and that will strengthen and broaden human rights coverage in our Province.

In the meantime, I would suggest to Ministers opposite, who, because of their own particular portfolios, may not have realized just what was in this bill, to familiarize themselves with it. And I would encourage, particularly the Minister of Education, and the President of Treasury Board, the House Leader, who is also the Minister responsible for the status of women, two individuals I consider to be sympathetic with human rights concerns, to consult the Human Rights Commission, the Government's own Commission which the Government appointed, and listen to what they have to say and then regroup and try to agree to some amendments to this bill, before it goes to Committee of the Whole.

Thank you, Mr. Speaker.

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

The hon. the Minister of Justice.

Some Hon. Members: Hear, hear!

Mr. Dicks: Thank you, Mr. Chairman. I have a few comments I want to make. The two comments raised by my hon. critic relate to two elements, one is in this proposed amendment to section 7,

and that is section 7 (3d) which permits an exception to the general prohibition against discrimination in the provision of services and accommodations.

The second relates to her advocacy of provision in the code dealing with sexual orientation on the basis that she set forward and I would like to deal with them both separately.

First of all, let me say that she quotes the Human Rights Commission, but, they first of all acknowledge that this is, to some extent, a proper exception. Now, I have concerns with the hon. Member's proposition that we should delete subsection 7 (3d), and for the benefit of people who were not here yesterday who may be interested in this, I would like to outline what this is.

As the hon. critic indicated, there is a problem in that the current section 7, which prevents discrimination where provisions and accommodations are made available to the public that the nature of those accommodations and services offered refers to the place rather than the type of service offered, so, for instance where it came to the Government's attention, was the recent Supreme Court of Newfoundland decision which said that if you offered a public service, but not in a public place, that that was not subject to the restrictions in the human rights code that prevent discrimination.

On the basis of that we brought in an amendment to the code to make sure that the offering of all services, whether in a public or a private place, would be of their nature subject to the human rights code, and I believe that this has

done it, but in doing so, we also had to consider whether or not there are legitimate rights of privacy and if that general rule would admit exceptions.

Now, the hon. Member has brought into question subsection 3D. She doesn't argue with the exception we have proposed that you allow discrimination on the basis of public decency, because otherwise you would only have one washroom and not male and female washrooms, which I believe we all accept. We also have accommodation where sex is a reasonable criterion for admission to the accomodation, such as YMCAs, YWCAs and so on. But the one that is in dispute with the hon. Member, particularly, is that we permit a restriction on membership on the basis of a prohibited ground of discrimination in a religious, philanthropic, educational, fraternal, sororal or social organization that is primarily engaged in serving the interest of a group of persons identified by that prohibited ground of discrimination.

Now let me say first of all, if I take the hon. Member's proposition and accepted it and deleted that, we would immediately eliminate organizations that I presume from her previous comments in public are dear to her heart - the Status of Women Council, the WISE group which is here today, and groups that are dedicated to the promotion of a particular interest and which has as its general criterion the admissions of people of that group which suffers discrimination or which normally would have need of an exception.

And I think that in proposing that type of thing we had to be very careful, because whether she is

prepared to acknowledge it or if she was struck on the road to Damascus after April 20 with some new element of life that she did not see previously, I think that she would be reversing her position on matters which she has advocated. And frankly I do not see that there is any harm done in the Province by having groups such as Status of Women Council, a group which by and large, has not had the full advantages in society that their male counterpart does. It would also eliminate the Women's Literary Publication which is an ancillary to the Status of Women Council.

It would also do away with, Mr. Speaker, religious and philanthropic groups, which would include all the religious organizations we have, the Anglican, United Church, Pentecostal, Roman Catholic, and the other denominations. It would do away with B'nai B'rith and the various men's and women's groups associated with those organizations.

And I admit that, yes, those organizations discriminate, but that is not the question. The issue is, is there any harm done? And I suggest that there is not. There is in fact a significant social good, a contribution back to the general enhancement of the Province in which we live as a result of the various religious organizations and many of these fraternal organizations that do good on the basis of providing services within the limits of their own organizations.

I would also add that she herself has admitted, when she revised the Human Rights Code in 1988, an exception in Section 4 of the Code, which would allow the

denominational system to continue. So that, in the Human Rights Code which she proposed and brought before this Legislature and had passed, and which her government and government of the day sponsored, it already acknowledges that there is a role for religion to play in this Province and by extension the religious and other sorts of groups associated with it.

So I disagree with her fundamentally on that. She makes a general proposition that if we put this in place it will somehow encourage or prevent white supremacist groups from taking office, and so on like this, and taking some measures in society that we would not accept. Now what I would say, Mr. Speaker, is that we cannot look at the Human Rights Code in isolation. The Human Rights Code of course - we also have to look at the Criminal Code which has at its base various provisions to deal with that very matter that prevents a promulgation of hate literature and also promotes or prevents assault.

Her second ground that she has dealt with is this matter of sexual orientation. Now, Mr. Speaker, I would like to first of all point out that this is something that the hon. Member did not address when she brought in the Human Rights Code in 1988. It is not a new idea, it was not conceived since 1988, it was not engendered by the April 20, 1989 election when we came in office and she and her government went out of office. It has been around for quite a number of years, it is in three other Provinces - Ontario, Quebec and Manitoba - and it is also in the Yukon. Now I have difficulty with the provision that

these other Legislatures have. But I suggest to the hon. Member first of all, that she does not have credibility on the issue because she and her government failed to deal with that at that time. And I say that because it is not an easy issue to deal with. And there are several matters that I would like to highlight for the people that may be listening.

First of all, sexual orientation - the very term itself. Sexual orientation, Mr. Speaker, is a term that I believe to be too broad. What is a sexual orientation? It is not defined in the Acts I have looked at. I suggest that there is some perception or some danger because there is no case law on it. (Inaudible) sexual orientation - would it include a sexual orientation toward children? Would it include a sexual orientation toward animals? Which may be very valid grounds for discrimination.

But let us assume for the minute that it is a term of science and not of art. And that may be it is intended to apply just to practicing homosexuals, the gay and lesbian community, of which the hon. Member has been speaking.

What I would like to say on that, Mr. Speaker, is that I do not think too many of us would have difficulty with a proposition that in the provision of public service, or if an individual wants to get access to Government services or Government employment, that that should be a ground of discrimination, that we can refuse to serve somebody or give them employment because they may be homosexual, or what have you.

However, there are very difficult issues that we have to address. For instance, Big Brothers, Big Sisters, these sorts of organizations, try to screen out people on the basis of their sexual preferences because they are associated with young children. Now, we can say that there is perhaps a body of medical opinion that would suggest that pedophilia is a different disorder than homosexuality, but are we prepared to say that we are going to prevent Big Brothers, Big Sisters, and organizations which have this type of concern, from screening people on a sexual preference basis, particularly when it is undefined as to whether sexual orientation - as a term, I would also include pedophilia and other types of disorders like that.

The second thing is what about a church that does not want to hire a practicing homosexual cleric? What about adoption? Should we allow homosexual couples to adopt children? What about a parent that does not want to hire a homosexual baby sitter? So it is very easy for someone to come into this Legislature and say let us bring in a general provision banning discrimination on the basis of sexual orientation, but I would suggest to her that it is not that easy. While we would all admit that there might be invalid grounds of discrimination on the basis of a person's sexual preference, there are key areas that must be seriously considered before we bring in a general prohibition on this.

Now, Mr. Speaker, I would like to point out that this is not being considered by our Government. I have spoken with the Human Rights Commission. This Government is open at any point in time to

considering what may be invalid grounds of discrimination and prohibiting those. But I would like to point out to the hon. member that she and her Government addresses, they did not bring it in. I presume, I do not know, that they may have had some sense that there might be difficulties with it, or maybe it was a purely political decision, but I would welcome any amendment she may suggest. And if she is prepared to bring into this Legislature an amendment that each of her colleagues endorse and are prepared to sign and put before the Government and table in this House, we will consider that. And I would be very interested to see which amendment she and her colleagues would propose to deal with such a complex issue, and I would be very interested in finding out what type of discrimination she is going to advocate. Is it simply sexual orientation? Because, I suggest to her, that is a broader type of term than we have generally looked at and has generally been advocated.

Now, Mr. Speaker, the final point I would like to make on this is that we have to recall in all this that the Human Rights Code is one of many statutes that are available in this country, that the dangers that the hon. member has suggested this amendment may engender do not exist, that there are provisions in other Acts, particularly in the Criminal Code that deal with the types of evils the member is suggesting.

I have been in office now for about a year and a half and I want to tell the hon. member that other than my conversation with the Human Rights Commission and the Human Rights Association, I have

not received any individuals or any person who has written to me and complained that they have been the victim of discrimination because they are homosexual. I have heard two reports in the media, one was of two ladies who were lesbians and who said they were kicked out of a strip club in downtown St. John's; a nude show was going on and the manager evicted them. He said they were disorderly. They said they were evicted because of their sexual preference. The other one was a case of a man who claimed to have been evicted from a bar in downtown St. John's because he was a homosexual and he was doing a dance called tushing, or something. And I would like to say I do not know what that is particularly. But I was not approached, I do not know the facts, I have only read the newspaper accounts and heard a bit on the media. But may I say that if that is the basis on which the hon. member is proposing an amendment to the code, I would suggest to her that if we are going to try to address an existing evil, or an existing ground of discrimination that is being invalidly applied to people, I would like a little more information on where exactly the problem exists. Because laws should be only brought in to solve problems that are either real or perceived to arise from the nature of the laws we propose.

So may I suggest to the hon. member in closing, Mr. Speaker, that her advocacy on this last credibility, her subsection 3 (d) or 7 (3) (d) would preclude the types of organizations that I think most members of this House would support. Maybe she does not, but I think the rest of us do.

The other aspect of the matter, Mr. Speaker, is that it is very easy to propose a general ground of discrimination, but I think one has to give it somewhat more thought, and I invite her to reconsider. And we are open to suggestions. But if she has not considered these matters, then I would like to hear what she might have to say during the Committee debate. But, on the other hand, if she has changed her mind I would like to know that as well, since she brought in an Act in 1988 which did not deal with the very matters that she now proposes that we deal with. Thank you, Mr. Speaker.

On motion, a bill, "An Act To Amend The Human Rights Code, 1988", read a second time, ordered referred to a Committee of the Whole House, on tomorrow. (Bill No. 46).

Mr. Baker: Order 19, Mr. Speaker.

Motion, second reading of a bill, "An Act To Amend The Corporations Act". (Bill No. 53).

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

Mr. Dicks: Thank you, Mr. Speaker. This is a narrow amendment to The Corporations Act, to two sections, and it essentially deals with a problem that has arisen in the Province since the introduction of The Corporations Act which supplanted The Companies Act, which had been in existence for close to 100 years.

What happened, Mr. Speaker, was there was not adequate provision in the Corporations Act to deal with the revival of companies which had failed to provide the

necessary documentation to revive themselves and to continue as corporations. What this does, Mr. Speaker, in section 1 is to repeal subsection 170 subsection (3) so that it will allow a body corporate that existed as a company to maintain the same proportion of non-resident directors after January 1st, 1987, which was the date of the bringing into effect of the new Corporations Act, as it had before, when it was a company, because the new Corporations Act has restrictions on the number and powers and so on of non-resident directors. This would cure an anomaly and allow a continued corporation to maintain that same portion of directors.

The other subsection deals with the revival of a body corporate that was dissolved, and it repeals section 327, which allowed for revival, and makes it a little more simple, so that where a corporation is dissolved under the part of The Corporations Act and The Companies Act, the person might apply to have the corporation revived or the company revived, as the case may be.

Part of the difficulty that has happened, Mr. Speaker, is when The Corporations Act was brought in, there was not really sufficient thought given at that time to what would happen on continuance of companies, and, as well, on revival of companies once they had ceased to exist after the period of time had elapsed. This will deal with it, because the general rule of law is that once a company is considered to have ended or have been dissolved, then the property escheats to the Crown. This would allow us to allow companies to be revived where there has been oversight and so on

on the part of the company involved. Thank you, Mr. Speaker.

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

Ms. Uerge: Thank you, Mr. Speaker. We support the principle of this bill, which is to smooth the transition from the old Companies Act to the new Corporations Act. The minister has explained precisely what changes are set out in the bill. The Corporations Act was one of the major pieces of law reform passed by this Legislature when I was Minister of Justice. There was a tremendous amount of work involved in drafting the new Corporations Act, as well as providing for the administrative mechanism for the transition from the old Companies Act to the new legislation, and, obviously, some details were not looked after as well as they might have been. And, of course, with experience the people using the legislation have now realized that this type of change is in order, and we have no difficulty supporting the contents of the bill. Thank you, Mr. Speaker.

Mr. Speaker: If the hon. the minister speaks now, he closes the debate. The hon. the Minister of Justice.

Mr. Dicks: Yes, thank you, Mr. Speaker. I should say in closing, as well, that The Corporations Act, although this bill addresses the method of transition and details that in perhaps better fashion, The Corporations Act was, I think, a laudable change in the law, supplanting The Companies Act which had been in existence for a very long time, and I think the matter was well conceived and executed by the previous

Government. I think what this bill does, as my colleague suggests, the Opposition critic, is clear up some things which became evident once the bill was introduced as being matters that in practice should be further addressed. I thank her for her concurrence in the matter, and I therefore move second reading.

On motion, a Bill, "An Act To Amend The Corporations Act," read a second time, ordered referred to a Committee of the Whole House, on tomorrow.

Mr. Furey: Mr. Speaker, Order 20, Bill No. 64.

Motion, second reading of a Bill, "An Act To The Western Memorial Hospital Corporation Act, 1947". (Bill No. 64).

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

Mr. Decker: Mr. Speaker, this is not a major amendment to The Western Memorial Hospital Corporation Act. Hon. members will know that the vast number of hospitals in this Province come under The Newfoundland Hospitals Act. However, there are some exceptions which do not come under the act. Western Memorial Hospital is one, the Grace Hospital is another one - the church facilities, St. Clare's and the Grace Hospitals, they do not come under The Hospitals Act. Western Memorial does not. They have their own Act, which was put in place in 1947.

Now, Mr. Speaker, in recent years there have been changes take place on the West Coast as far as Hospital Boards are concerned, and The Western Memorial Hospital Board now is responsible for the

Bonne Bay area, they are also responsible for the Burgeo area, and it is quite possible that over the years that Board could even be expanded to take in other areas on the West Coast to stay in keeping with the way modern medicine is progressing.

Mr. Furey: Bonne Bay.

Mr. Decker: Now, Mr. Speaker, although the Board is responsible for Bonne Bay and for Burgeo, there is no representation on the Board. There is nothing in The Hospitals Act which allows for representation from Bonne Bay and from Burgeo. The department has several options. We could ask to have the Western Memorial Hospital put under The Hospitals Act. There are many things we could do, but we have decided that the fastest way to do it would be to ask hon. members to allow us to change the Act whereby we can add two additional members, and these two members will be appointed as soon as Government has authority to do it. We want to make sure there is representation from Burgeo and from Bonne Bay.

An Hon. Member: Liberal members.

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

Ms. Verge: Thank you, Mr. Speaker. I am glad to speak to this bill, not only because I am now the Opposition Health critic, but because I represent the District of Humber East, where the Western Memorial Regional Hospital Headquarters is located. Two of the main hospital buildings are located in the District that I represent.

This amendment seems to be simple and sensible. I appreciate the

explanation of the Minister of Health. I realize the expansion of the hospital over the last few years, with the divestiture by the Department of Health of the former cottage hospitals at Burgeo and Norris Point to Western Memorial Regional Hospital. And I certainly see the need for the Burgeo and Bonne Bay areas to have representation on the Hospital Board.

As I understand it, the total number of members of the Hospital Board through this bill will be increased from nine to eleven, and the number of Hospital Board members through this bill will be increased from nine to eleven, and the number of Hospital Board members appointed by the Lieutenant-Governor in Council will be increased from four to six.

When the minister speaks to close the debate, I would like to indicate if what I am saying is correct. I would also like him to outline the overall composition of their proposed enlarged Board; and to indicate how that compares with the composition of other hospital boards in the Province?

Finally, while he is speaking about the board of the hospital, I wonder if he might indicate his appreciation of the requirements of the board, whether they number nine or eleven, for finances from the Minister's Department to carry on their excellent operations?

Thank you, Mr. Speaker.

Mr. Speaker: If the Minister of Health speaks now he closes the debate.

The hon. Minister of Health.

Mr. Decker: Mr. Speaker, I wish

to thank hon. Members on the Opposition for the stimulating debate which we have entered into as we try to bring forward this piece of legislation. And being an open Government we will listen to all the advice which hon. Members have given us, Mr. Speaker, and we will certainly take this into consideration. And as the hon. Member suggested, I think it is an appropriate time to pay tribute to the various board members who have given so much of their time over the years and have made it possible for that Western Memorial Hospital board to be the great progressive board that it is, Mr. Speaker.

The hon. Members will know that that is the only board in the Province, I believe, where some members are elected to that board. This is quite common across the nation, to elect members to hospital boards, and it is certainly something that Government will look at, look at the pros and cons. And there are pros and there are cons to doing that, Mr. Speaker. But being the progressive Government that we are, we are continually looking for new ideas and we sift them through, and we pick out the good things in them, and we discard the bad things. And that is the wonderful thing about being a Government which listens and is wide open, Mr. Speaker. We are going to continue on that for many years to come, I hope, but I thank hon. Members for supporting this amendment to the legislation.

On motion, a bill, "An Act To Amend The Western Memorial Hospital Corporation Act, 1947," read a second time, ordered referred to a Committee of the Whole House on tomorrow, by leave. (Bill No. 64).

Mr. Baker: Order 22, Mr. Speaker.

Mr. Speaker: Before we move to the second reading of the bill, I want to, on behalf of all the hon. Members of the House, welcome forty-two students from Roncalli Central High, Avondale, accompanied by their teacher, Mr. Stack.

Motion, second reading of a bill, "An Act To Amend The Principal Agreement Ratified By The Avalon Telephone Company Act, 1938". (Bill No. 54).

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

Mr. Gullage: Mr. Speaker, this bill deals with an amendment to The Avalon Telephone Company Act, 1938, and eliminates a telephone tax which has been collected since that time by the telephone company on behalf of the St. John's Municipal Council. Because currently, and for some time now, I do not know about the majority but a lot of homes throughout the Province, and particularly I guess in the urban areas, have more than one telephone. The fact that a telephone tax has been in place, or is in place, in this particular Act, allows for a tax, per telephone, it makes for a very unfair taxation on a given household because of the numbers of telephones in place.

So it is really a nuisance tax and the city of St. John's council wishes to eliminate the tax. In fact, regulatory authorities now are frowning upon the idea of power companies or telephone companies, utilities per se, collecting taxes on behalf of municipalities in any case. And that is really what is happening in this case. So it is really

just a more or less routine amendment to the Avalon Telephone Company Act, 1938, eliminating the telephone tax being collected by the telephone company on behalf of the city of St. John's.

And I would move second reading.

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

Mr. Tobin: Mr. Speaker, you know, it is obvious the Minister does not know the bill very well. We have checked this out thoroughly and there is a whole lot of reasons, Mr. Speaker, that the Minister never made reference to as to why this is here, Mr. Speaker.

He didn't say anything about the fact that the council is going to lose \$80,000 revenue as a result of what is taking place. He didn't make any reference to that. The city of St. John's will be losing \$80,000 revenue as a result of this bill. He made no reference to the fact, Mr. Speaker, that the big problem with the present legislation is that it is difficult right now with the boundaries of St. John's and the exchange numbers which go beyond the St. John's boundaries, as to who to tax.

He made no reference, Mr. Speaker, to the fact that it was basically a tax that was paid on the lease of telephones where now other people are purchasing telephones and the lease does not exist. So, Mr. Speaker, it is obvious that the Minister does not know the bill very well, but I understand the city of St. John's, while they are somewhat concerned about losing \$80,000, has no great difficulty with it.

Some Hon. Members: (Inaudible).

Mr. Speaker: If the Minister speaks now he closes the debate.

The hon. the Minister of Municipal and Provincial Affairs.

Mr. Gullage: Yes, Mr. Speaker, I was of course aware of all the points made by the hon. Member. In fact I initiated this particular change in The Avalon Telephone Company Act when I was a member of city council, and that is where it started. So I am obviously very, very, very familiar with all the details and the reasons that this was brought forward.

And in fact the revenue will be made up by way of other sources of revenue by the St. John's City Council. I do not think they will have any trouble making up for the loss of revenue. It has been requested by the city council and does not present any difficulty, and I would move second reading.

On motion, a bill, "An Act To Amend The Principal Agreement Ratified By The Avalon Telephone Company Act, 1938," read a second time, ordered referred to a Committee of the Whole House on tomorrow, by leave. (Bill No. 54).

Mr. Baker: Order No. 23, Mr. Speaker, Bill No. 55, "An Act To Amend The Buildings Accessibility Act, 1981".

Motion, second reading of a bill, "An Act To Amend The Buildings Accessibility Act, 1981". (Bill No. 55).

An Hon. Member: (Inaudible).

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

Ms. Cowan: Thank you, Mr. Speaker. I think that there are very few comments I have to make on this particular bill, other than to say that it is to make some improvements in making hotel sites and so on more accessible to our handicapped people in the Province, and it is not something that I believe the Opposition will have problems with.

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

Mr. Doyle: Yes, Mr. Speaker, we do not have any great difficulty with this bill, the Building Accessibility Act. The changes come about as a result of a review committee which were looking into the building accessibility regulations. They are small changes but I would say to the Minister they are very important changes as well.

Like changing the definition of a building to include other buildings like apartment buildings and hotels and what have you. And the definition of a physically disabled person, of course, is broadened somewhat. And the definition of a public building is broadened. And one of the good things about the Act I believe is that it tightens up the procedure. It tightens up the procedure for obtaining construction permits so that individuals who do go into renovation of buildings have now got to conform to the Building Accessibility Act.

So, as the Minister says, it is a small bill, but it is an important bill as well. And that is the only comments we would have on this bill, Mr. Speaker.

Mr. Speaker: If the Minister

speaks now she closes debate.

Ms Cowan: Yes, thank you very much for your comments, to the hon. Member from Harbour Main. And I would also like to say thank you to the Building Accessibility Committee which is a top notch committee and has done a lot to advance the cause of the disadvantaged in the Province. With that, Mr. Speaker, I would move second reading.

On motion, a bill, "An Act To Amend The Buildings Accessibility Act, 1981", (Bill No. 55), read a second time, ordered referred to a Committee of the Whole House on tomorrow.

Mr. Furey: Order 24, Mr. Speaker, Bill No. 59, "An Act To Amend The Occupational Health And Safety Act".

Motion, second reading of a bill, "An Act To Amend The Occupational Health And Safety Act". (Bill No. 59).

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

Ms Cowan: Yes, again a small change, Mr. Speaker. This bill would amend the Occupational Health and Safety Act to provide the Province with the authority to enter into agreement with other Governments so that persons employed by those Governments in various federal and provincial bodies would be able to serve as Occupational Health and Safety Officers on their behalf.

Now, this is a bill that is related to Hibernia, in other words, what we are asking for is that we would be able to give authority to the Canada/Newfoundland Offshore

Petroleum Board in matters related to Occupational Health and Safety Offshore.

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

Mr. Doyle: Yes, Mr. Speaker, as the Minister points out it is not a very controversial bill in itself, it simply provides for authority for the provincial Government to enter into agreements with the federal Government so that people who are employed with the federal Government, may also act as Occupational Health and Safety Officers.

The only comment I would have for the Minister of Employment and Labour Relations, which may not be directly related to the bill, is that it may be an idea for the Minister to have a look at the Occupational Health and Safety people in her own Department. It might be an idea for the Minister to turn her thoughts inward toward her own Occupational Health and Safety people, because I saw a story in The Evening Telegram yesterday evening in which her own Occupational Health and Safety people refused to report for work because of conditions within her own Department.

These people who normally would be entitled to 100 square feet of space to do their work, have been, according to The Evening Telegram story, herded into the Minister's Department like cattle and they have to work under conditions which are less than desirable; thirty-five square feet, I believe these people are being provided with.

They wanted to get a little bit of space in order to do their work in

a confidential environment and they are put into thirty-five square feet of office space, and that is pretty ironic when you get right down to it, because these people are charged with the responsibility of monitoring or enforcing occupational health and safety and here it is, the same people who are charged with that responsibility don't have decent working conditions themselves. So I would say to the Minister, while it is not directly related to the bill, it might be an idea for the Minister to have a look at her own occupational health and safety people and see if she can provide a little bit of a good working environment for these people as well. So that is the only comment we would have to make on that bill, Mr. Speaker.

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

The hon. the Minister of Employment and Labour.

Ms Cowan: Thank you, Mr. Speaker, and thanks for the comments of my hon. critic, as far as regarding the bill is concerned. I move second reading.

On motion, a bill, "An Act To Amend The Occupational Health And Safety Act", (Bill No.59), read a second time, ordered referred to a Committee of the Whole on tomorrow.

Mr. Furey: Order 27, Mr. Speaker, "An Act To Amend The Summary Proceedings Act", (Bill No. 63).

Motion, second reading of a bill, "An Act To Amend The Summary Proceedings Act". (Bill No. 63).

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

Mr. Dicks: Yes, thank you, Mr. Speaker. It is a very simple amendment to the Summary Proceedings Act. What it will enable the Attorney General to do, is to designate persons other than peace officers to issue a summons by way of a traffic ticket for parking violations. I think it is fairly simple, Mr. Speaker, it will simplify for the public, a method of paying the fines, first of all, because it will be a ticketing system rather than a summons system and it will also, for the benefit of municipalities particularly, allow their local enforcement officials, who are not necessarily peace officers, to do it as well.

Thank you, Mr. Speaker.

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

Mr. Rideout: Yes, Mr. Speaker, we certainly concur with the Minister that this is not a very earth-shattering amendment, and we have no difficulty with it. I would assume, particularly for municipalities, it would be very convenient to have people who issue parking tickets and other tickets for other violations to be able to issue those. The only thing I want the Minister to answer when he rises to close debate is what about tickets on private property, for example, where there are private security firms? - over around CBC television, for example. It has not happened to be personally, but I understand if a person goes over to CBC television to do an interview and parks in an inappropriate place, you can have a \$50 ticket before you leave, and they have their own private security that issues those tickets. Is this amendment meant

to allow the Minister to be able to designate private security firms around private property to be able to issue tickets, or is it basically meant to be able to accommodate the needs and requirements of municipalities? That is the only question I would have, Mr. Speaker?

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

The hon. Minister of Justice.

Mr. Dicks: Yes, thank you, Mr. Speaker. I am not familiar with the situation the hon. member describes. We might extend it to public buildings, but the essential part of the amendment, as it was engendered by the Department was, we have a difficulty with municipal enforcement offices and whether or not they are peace officers within the Criminal Code. I guess it was quite some time ago I spoke with the President and one other official of an association which had just been formed. They pointed out this problem, and I indicated to them we would try to resolve it so that there would not be any question about their ability to do this.

I will be frank with him, I had not considered whether or not we would authorize people other than these individuals to do it. But, on reflection, it might make sense, say, for instance here to have someone ticket people at the building. I am not sure of the auspices under which that is carried out.

An Hon. Member: That is true.

Mr. Dicks: That is violation, so I would not want to say we would

not do it. I think perhaps what we will do is indicate what -

Mr. Rideout: The university is another good example.

Mr. Dicks: The university is another good example. So certainly for provincial Government organizations I would think it would be consistent and to the public convenience to allow our own officials to do it. But other than that, on private property I do not think we would. Now, the only thing with CBC is it is a Federal Crown Corporation, and our own Provincial Crown Corporation as well, and we might have to consider that. But I am not sure of the basis on which CBC is able to give out \$50 tickets, and whether or not that is under some municipal regulation or provincial regulation. I do not know where that comes from.

Mr. R. Aylward: They did it at Avalon Telephone, too, one time. Parking tickets (inaudible) private company, they set their own fees and issued the tickets, and somebody took them to court.

Mr. Dicks: I will enquire into it, Mr. Speaker. As I say, I am not familiar with that practice. This was not the intent of the bill. It is certainly broad enough, as the hon. the Leader of the Opposition indicated, to enable any person to do it, but we would be very careful about whom we authorize. We would probably extend it to people within the provincial Government service, and conceivably any legitimate public organization, such as the federal Government and its agencies. I think that might be a legitimate request as well. But certainly beyond that, not on private property.

But things such as CBC might indeed be in the order of the property of a public corporation, but that was not the intent of it. But it is broad enough to do it, and we might, in fact, do that. But I will check with the Department and see what if any problem there is and probably correspond with the hon. the Leader of the Opposition on it. I therefore move second reading. Thank you, Mr. Speaker.

On motion a bill, "An Act To Amend The Summary Proceedings Act," read a second time, ordered referred to a Committee of the Whole House, on tomorrow.

Mr. Baker: Order 4, Mr. Speaker.

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

Committee of the Whole

Mr. Chairman: Order, please!

A Bill, "An Act To Amend The Municipalities Act." (Bill No 23)

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

Mr. Baker: Order 5.

A Bill, "An Act To Provide For The Regulation of Motor Vehicles Used In The Transportation Of Persons Or Goods For Compensation". (Bill No. 12).

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

A Bill, "An Act To Repeal Certain

Obsolete And Spent Statutes". (Bill No. 21).

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

Mr. Baker: Order 7, Bill No. 15, Mr. Speaker.

A Bill, "An Act To Revise The Law Respecting Securities". (Bill No. 15).

Mr. Chairman: Shall Clause 1 carry?

The hon. the Minister of Justice.

Mr. Dicks: Yes, Mr. Speaker, I would like to move an amendment to one of the clauses of the bill. Paragraph (u) of subclause one, of clause 36 of this bill I would move is amended by striking out the words "but an issuer that has relied upon this exemption may not again thereafter rely upon this exemption."

An Hon. Member: What clause is that?

Mr. Dicks: Clause 36 (1) (u). I believe the Clerk is distributing that.

Mr. Baker: I wonder, Mr. Chairman, if we might have a brief recess to give the Opposition a chance to have a look at that (inaudible), maybe a five minute recess.

Ms Verge: (Inaudible).

Mr. Dicks: Oh, yes, that is amended as well. I am sorry. There are two amendments. I thought you were referring to amendments other than what were on the paper, but there is an amendment to have it come into

effect April 1st, 1991. And there is also an amendment to clause 36, 1 (u).

Ms Verge: (Inaudible).

Mr. Dicks: Yes. What it is, is the first amendment changes a general prohibition against ever relying again upon the exemption, to change it to once in a twelve month period, and the wording is here so that those words will be deleted. I do not know if you wish me to read it into the record, Mr. Chairman. I know my critic and the Leader of the Opposition have the wording there, but for the record, if I could pick up where I left off, to delete the words that I referred to.

An Hon. Member: Are they still going to recess?

Mr. Dicks: Okay, yes. We will take a recess. Thank you, Mr. Chairman.

Mr. Rideout: If I could have a few minutes before -

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

Mr. Rideout: Thank you, Mr. Chairman. I agree with the recommendation made by the Government House Leader, that we take a five minute recess so we can have a quick look at this. I do not anticipate any difficulty. But the other thing I want to mention, Mr. Chairman, we are proceeding in a very co-operative air here this morning but, at the same time, I would like to ensure that proper order prevails. I am not certain on either side of the question, quite frankly, but something seems to twig in the back of my mind that a minister

introducing the bill cannot introduce the amendments. I believe some other minister, - like the Government House Leader, would have to give notice of the amendments. I believe that is the correct procedure. I am not certain, but something seems to twig, and maybe that is something we could check out during the recess, as well.

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

Mr. Baker: Thank you, Mr. Chairman. The Leader of the Opposition I believe is 100 per cent correct, now that he mentions it. Perhaps if I could formally introduce these two amendments that have already been presented and then -

Mr. Rideout: I would not want them to be out of order and not enforceable.

Mr. Dicks: That is right.

Mr. Baker: No. You are absolutely right. That is one of the clauses in Beauchesne. So, Mr. Chairman, I would formally introduce the amendments and suggest a brief recess while members opposite have a chance to look at that to make sure there is nothing funny going on here.

Mr. Rideout: (Inaudible) amendment.

Mr. Chairman: Yes, it is true somebody else has to move the amendment, and the hon. Government House Leader -

An Hon. Member: The hon. Government House Leader just did. He just moved them.

Mr. Speaker: Okay, we will recess

for five minutes?

An Hon. Member: Yes, okay, Sir.

Recess

Mr. Speaker: Order, please!

On motion, clauses 1 through 35 carried.

Mr. Speaker: Shall clause 36 as amended carry?

Ms. Verge: Mr. Chairperson, on behalf of the Opposition I would like to express support for this proposed amendment. It was advanced to the Social Legislation Review Committee by groups I mentioned earlier, and it facilitates a relaxed requirement for security sale in limited situations, defined in this paragraph involving sophisticated purchasers. It seems to achieve the balance that everyone has strived to attain of protecting purchasers on the one hand, and facilitating the raising of equity capital by businesses.

When I spoke in debate on second reading I made the point that there is a concern in this Province that the bill errs on the side of protecting purchasers and makes the requirements on businesses or issuers too onerous, too expensive to be of practical benefit for most business ventures in our Province. This is a step in the right direction I believe, a step that can benefit some of the businesses in our Province. And, as I said in debate on second reading, I would urge the Government, along with their economic advisors, to explore possibilities of amending this legislation in the future along

the lines of the pilot project in Washington State, for example, to facilitate the raising of equity capital by small businesses in our Province.

A Bill, "An Act To Revise The Law Respecting Securities." (Bill No. 15)

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

Mr. Baker: Order No. 8.

A Bill, "An Act To Amend The Dangerous Goods Transportation Act And The Summary Proceedings Act." (Bill No 37)

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

Mr. Baker: Order No. 9.

A Bill, "An Act To Amend The Young Persons Offences Act." (Bill No. 36)

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

Mr. Baker: Order No. 10.

A Bill, "An Act To Amend The Members Of The House Of Assembly (Retiring Allowances) Act, The Public Service (Pensions) Act And The Uniformed Services Pensions Act." (Bill No. 44)

Mr. Rideout: Mr. Chairman.

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

Mr. Rideout: Thank you, Mr. Chairman.

Mr. Chairman: The hon. the Leader

of the Opposition, I am sorry.

Mr. Rideout: I did not know what you called me, Sir, but as long as you recognized me that is the important thing.

The commencement date for this bill is deemed to be January 1, 1989. Is there a particular reason for this? I am always hesitant to see retroactive legislation unless I have a good explanation for it.

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

Mr. Baker: I believe the explanation is that during the last round of collective bargaining there were certain changes agreed to and some of it in the Uniformed Services Act through the collective bargaining process that there is compensated for the RNC and so on, and that is the reason for the retroactivity, that that is where that originated in the collective bargaining.

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

Mr. Baker: Motion No. 3.

A Bill, "An Act To Amend The Highway Traffic Act, 1988." (Bill No. 48)

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

Mr. Rideout: Mr. Chairman, we realize that we are into Committee of the Whole on An Act To Amend The Highway Traffic Act and we would just like to make one more point on the Highway Traffic Act. The Bill has been debated in principle, it has been adopted by the House and we are under no

illusions that the various sections of the bill will be adopted by this Committee, nor are we under any illusions that third reading will be approved by the House even if the Government has to resort to its favourite tactic of closure. But we do want to say once again, Mr. Chairman, that we feel that the amount of percentage increases in the various fines under Bill 48, the Amendments to The Highway Traffic Act are onerous.

An Hon. Member: Draconian.

Mr. Rideout: They are draconian. They are unnecessary, unless, of course, the Government were to admit what it really is doing and that is trying to soak out of minor traffic violations every tax dollar that they can get their hands on, Mr. Speaker. That is the point behind it. And I think that is the only other point that we as an Opposition would want to make. It is not just an ordinary revision, upward revision of fines, but it is a major, major escalation in fines, some of which are very, very minor and the taxpayer of this Province is going to pay through the nose for the draconian measures that the Minister is proposing, Mr. Speaker.

An Hon. Member: He should be ashamed. He should be ashamed.

A Bill, "An Act To Amend The Highway Traffic Act, 1988."

Mr. Baker: Mr. Chairman, I wonder, if by leave, we could continue on with the bills that we did second reading of this morning? If we could, by leave, go to third reading or Committee stage, I am sorry, of these bills. I believe they are numbers 46, 53, 64, 54, 55, 59 and 63.

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

Mr. Rideout: Thank you, Mr. Chairman.

We have no difficulty at all in complying with the request by the Government House Leader with one exception. I wonder would the Government House Leader be prepared to leave Committee of the Whole consideration of Bill No. 46 for the next day?

Mr. Baker: Absolutely.

Mr. Rideout: There is a possibility we may want to propose some amendments to that bill.

Mr. Baker: Okay.

Mr. Rideout: It is a complicated bill, and it might take a bit of time, but the rest we will be happy to accommodate the Government House Leader, Mr. Chairman.

Mr. Chairman: Okay, by agreement, we will stay in Committee of the Whole to consider certain bills.

Mr. Baker: Committee of the Whole on Bill 53, Mr. Chairman.

Mr. Chairman: Bill 53.

A Bill, "An Act To Amend The Corporations Act."

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

Mr. Baker: Bill 64, Mr. Speaker.

A Bill, "An Act to Amend The Western Memorial Hospital Corporation Act, 1947" (Bill No. 64).

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

Mr. Baker: Committee of the Whole on Bill No. 54, Mr. Chairman.

A Bill, "An Act To Amend The Principal Agreement Ratified By The Avalon Telephone Company Act, 1938". (Bill No. 54).

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

Mr. Baker: The Committee of the Whole on Bill No. 55, Mr. Chairman. A Bill, "An Act To Amend The Buildings Accessibility Act, 1981." (Bill No. 55).

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

Mr. Baker: Committee of the Whole, Mr. Chairman, on Bill No. 59, a familiar number.

Mr. Chairman: Bill No. 59.

A Bill, "An Act To Amend The Occupational Health and Safety Act" (Bill No. 59).

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

Mr. Baker: Bill 63, Mr. Chairman.

A Bill, "An Act To Amend The Summary Proceedings Act" (Bill No. 63).

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

Mr. Baker: Mr. Chairman, I move that the Committee rise and report progress.

On motion, that the Committee rise, report progress and ask

leave to sit again, Mr. Speaker returned to the Chair.

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

Mr. Chairman: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill Nos. 23, 12, 21, 37, 36, 44, 48, 53, 64, 54, 55, 59 and 63 without amendment, and also Bill No. 15 with amendment, and ask leave to sit again.

On motion, report received and adopted, Bill Nos. 23, 12, 21, 37, 36, 44, 48, 53, 64, 54, 55, 59 and 63, without amendment, ordered read a third time on tomorrow; Bill No. 15 ordered read a third time on tomorrow, amendments ordered read a first and second time now, by leave.

On motion, amendments read a first and second time.

Mr. Baker: Motion 4, Mr. Speaker.

On motion, that the House resolve itself into Committee of the Whole to consider resolutions to guaranteeing certain loans under The Local Authority Guarantee Act, Mr. Speaker left the Chair.

Committee of the Whole

Mr. Chairman: Order, please!

Motion 4.

Resolution

That it is expedient to bring in a measure further to amend The Local Authority Guarantee Act, 1957, to

provide for the guarantee of the repayment of loans made to, and the advance of loans to certain Local Authorities.

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

Mr. Rideout: Thank you very much, Mr. Chairman. We are continuing debate now on the guarantee bill for local authorities for municipalities. Actually in essence what it is, is, this House guaranteeing funds advanced by the Government during the last fiscal year, for water and sewer projects in various municipalities around the Province for the cost-shared programmes like the 60/40 paving programmes between the Province and the municipalities and so on. I just have a few remarks, there has been a couple of days debate I believe already on this bill, or a couple of attempts at it anyway, over a couple of days, and by and large we have no difficulty with the bill.

I mean these funds have been expended and all this is doing is formalizing the Government guarantee. Over some period of time the NMFC, the Newfoundland Municipal Financing Corporation will go out and borrow the money that has been guaranteed in this bill and repay the banks and it will become part of the overall debt of the Province guaranteed through the Newfoundland and Labrador Municipal Financing Corporation.

But what triggered me to want to make a few remarks on this bill when it came up again, Mr. Speaker, was comments made by the Minister of Finance in the House a week or so ago. I am not quite certain whether it was in Question Period, in Reply to Questions, or

whether in fact it was in debate on the Supplementary Supply Bill, I am not quite certain now, but I do remember specifically- I do remember specifically, the Minister of Finance making the comment, that one of the fiscal problems that this Province is experiencing today, is the way that the previous Administration, previous Government, I don't know why he should say just previous Administration because it has been: I believe the Loan Guarantee Act was introduced in 1957, so it has been a fait accompli for financing municipal services in this Province now for three decades or longer.

But the Minister of Finance made the observation that one of the fiscal straightjackets that the Province finds itself in, Mr. Chairman, is because of the way we finance municipal capital works in Newfoundland and Labrador, and we finance those capital works of course, through loan guarantees in the first instance, issued to the municipality, and secondly then by paying off those loan guarantees through financing arranged by the Municipal Financing Corporation.

And every municipality in the Province pays on its long term debt in proportion to its ability to pay. I think the minimum requirement under the Municipalities Act at the moment is 20 per cent of fixed revenue, and that goes from there to larger communities or larger municipalities who have a larger tax base, who can pay a larger proportion or indeed all of the share of its long term debt.

But the Minister of Finance left the distinct impression that there was something wrong with this, Mr. Chairman, that because of the way

municipal capital programmes are financed, the Province was saddled with a horrendous debt and that leads to, I believe, a very fundamental question that should be asked while we are considering this bill.

The very fundamental question is this: If this method of financing municipal infrastructure and municipal improvements in Newfoundland and Labrador is wrong; if it is something the Government can't live with, what is the alternative? What alternative does the Government have to offer to small municipalities, midsize municipalities, what alternatives does Government have to offer to municipalities outside of the larger, more independent urban centres in Newfoundland and Labrador, and that is the fundamental question, Mr. Chairman, that must be answered.

We know the makeup of the communities in Newfoundland and Labrador, we know that communities like Ming's Bight and Pacquet and Harbour Round and those places will never ever, never ever, Mr. Speaker, be able to finance, municipal infrastructure that might in fact cost in excess of \$1 million to put a water and sewer system into those communities.

We know that it will never happen in our lifetime or perhaps ever in anybody's lifetime, that those small rural municipalities without a tax base, with a very small population will be able to finance infrastructure like water and sewer and road paving and so on. And every Government of Newfoundland and Labrador, Mr. Speaker, since 1949, but more particularly since 1957, when the local guarantee Act was brought

in, recognized that fact. It also recognized that there is a responsibility on all of us, whether we live in the larger more affluent centres or whether we live somewhere else, to try to even out the costs, to be able to make it possible for people who are independently making a livelihood in the Ming's Bights of Newfoundland and Labrador to have accessibility to reasonable municipal services, and this was a way of doing it, through the Loan Guarantee Act, through financing of the municipal corporation, and through the Department of Municipal Affairs on behalf of the Government, subsidizing the cost and the community paying a percentage of its fixed revenue. That is how it was done so the key question now remains, Mr. Chairman, if this puts the Province in a horrendous financial situation, as the Minister of Finance indicated in this House just a few days ago, what is the alternative? How are small rural communities in Newfoundland and Labrador now going to be able to access funding to build new community infrastructure like building new water and sewer systems? Surely, goodness, Mr. Chairman, it is not the intention of this Government to say that only those communities who can afford to pick up the lions share of the cost will be considered for funding. I hope that is not the intention of the Government, to make sure that small rural communities in this Province remain forever poor that they will always be the poor cousins in the municipal structure of Newfoundland and Labrador. I find it very disturbing. I find the comments of the Minister of Finance on this matter a few days ago in this House very, very disturbing and particularly when

they are thrown out in a vacuum with no indication of what the new system or the new structure might be.

An Hon. Member: (Inaudible).

Mr. Rideout: Mr. Chairman, it does not matter whether anybody is listening or not, the debate must continue, the member has been in the House long enough to know that. Mr. Chairman, the Government during the election process a year and a half or so ago, made some mention of this new super Crown Corporation that would own all municipal infrastructure in the Province and finance municipal infrastructure in other parts of the Province not yet serviced. We have not heard anything basically about that since the Government took office. It is almost like it has totally disappeared but maybe it did inadvertently surface on the floor of this House a few days ago when the Minister of Finance made another one of his now famous comments that this system of financing municipal infrastructure cannot continue in Newfoundland and Labrador. Well, if it cannot continue I want to know what the Government's alternative plan is, because I am worried, particularly in the kind of district that I represent and for most of Newfoundland and Labrador. I am worried that the people who live in the smaller rural communities will not have the ability, with Government support, to be able to improve and deliver municipal services to the people of those communities. I mean we are living in 1990 in the great country called Canada and people have a right to expect basic services and they have the right to expect them on a equitable basis, and it matters not whether the community

is large or small, midsize or whatever, it is providing basic services to people, to people in communities where they want to stay, where they can make a livelihood, where they can earn a living. The community might not be viable as a municipal entity but by goodness, Mr. Chairman, the community is a viable economic community in terms of people earning a livelihood and of raising their children and educating their children and I do not want to see any measure by Government that is going to upset the right and the privilege of people to be able to work and live in rural Newfoundland and at the same time have the right to expect reasonable municipal services. It will always be the case in this Province, Mr. Chairman, unless this Government is going to become ultraconservative and swing extremely to the right. It will always be the case in this Province where there will have to be a kind of subsidized system to be able to provide basic municipal services to small rural communities in rural Newfoundland and Labrador, and I am worried when I hear comments from the Minister of Finance that we cannot afford this anymore. Well, are you telling the people in Harbour Deep or on the Coast of Labrador that they cannot expect to have water and sewer services installed over a reasonable period of time? Are you telling them they cannot have it because they cannot afford to pay for it, and that will never happen in most of, in hundreds and hundreds of communities in rural Newfoundland and Labrador, and if there is an opportunity, one opportunity during this session of the House, Mr. Chairman, to try to flesh out, to try to get out from the Government what its intentions are, then this bill is an

appropriate place to do it. And I hope that somebody on behalf of the Government will at least make an effort to give us some, some glean, some idea, that if this system is not affordable by the Government what kind of plan, what is the programme, what is the plan, for future financing of municipal services in rural Newfoundland and Labrador in particular.

We have no difficulty in the larger centres. Most of them, thank goodness, have a reasonable tax base and they can contribute significantly towards the cost of their debt. But, Mr. Chairman, that only applies to a number of communities in Newfoundland that you can - you would hardly use up the fingers of both hands in counting up those communities. What about the other 300 or 325 incorporated municipalities in the Province? They will never have a tax base like a Donovans Industrial Park. They will never have a tax base like Gander or Grand Falls or Corner Brook or Stephenville, but yet they are viable economic entities that can provide a livelihood for people in Newfoundland and Labrador. And the people living in those communities deserve access to reasonable municipal services.

And I think that question should be answered, Mr. Chairman, before this bill is approved.

An Hon. Member: That is right.

An Hon. Member: Sure.

An Hon. Member: Answer.

Mr. Chairman: The hon. Member for Mount Pearl.

Mr. Windsor: Thank you, Mr.

Chairman. I am just going to take a few moments to, to address this piece of legislation. The bill itself is straightforward (Inaudible) forward to guarantees, funds that have already been spent. But it bears a few moments of the (Inaudible), and the Leader of the Opposition I think has set the stage, set the stage well. And what needs to be done here - I know the Minister is looking at - he and I have had some conversations around this whole concept of financing for water and sewer systems in municipalities, and I know he is interested in coming up with perhaps a better concept. And I have just talked to his staff, I have some concern about what I am hearing, about the new municipal grants Act.

But I am not going to get into that here now. Because it is somewhat apart from these particular loans, unless the Minister is planning on totally changing the system and putting everything together, I do not have any knowledge of that, is the Minister proposing to wrap this in with the grants Act or anything?

An Hon. Member: (Inaudible).

Mr. Windsor: He is not going to indicate. Well, we will deal with this, Mr. Chairman. I could spend some time talking about the politics of it. My friend from Kilbride has just worked out roughly the numbers here as it relates to the amount of funding gone into districts represented by hon. gentleman opposite, and approximately 70 per cent has gone into these districts. This is our fairness and balance. And I pointed out to him a moment ago that there is about a little over a million dollars here for the city of Mount Pearl. And I would

suggest - I do not know exactly what that is for - but I would suggest that if not all of it, most of it, is actually Waterford Kenmount district, it may be the city of Mount Pearl, but it actually is the district of Waterford Kenmount. Because we are completing the services in the older part of Mount Pearl and Park Avenue area which is now represented by the Minister.

I have no problem with that, I hasten to add, that is the priority for city council work. It changes the numbers slightly. If you looked at the numbers you would find that there would -

Mr. R. Aylward: (Inaudible).

Mr. Windsor: Yes, that is the number of projects. But we have to look to the total money. I daresay if we looked at total money it would be worse than that. I daresay a few smaller districts and (Inaudible) PC district.

Mr. Chairman, I do not want to get into that area today, just to highlight once again, we will be watching this year when it comes out. And we are anxious to know - maybe the Minister will tell us when he expects to have his funding programme for next year available. Because it is important, I think he realizes that, that it be done early so that communities have the opportunity to plan, particularly from an engineering point of view. (Inaudible) engineering work can be done early, surveying work can be done when you can see the ground, not digging down through two feet of snow. And that proper design work - my friend from Kilbride knows what I am talking about there. That

proper design work can be done, proper planning can be done. And, as another component of it, and an important component, Mr. Chairman, is not only so the municipalities can plan but so contractors in this Province can plan. So contractors can plan.

It makes a big difference to a contractor if he knows that he has got several million dollars of water and sewer work to do next year. If he knows he has got that, if he has got those contracts in his pocket, then he will invest money over the winter, upgrading his equipment and maintaining his equipment. But if he has absolutely nothing on the drawing board, then it is a hard choice to make, a hard decision to make to invest up to perhaps \$1 million in upgrading and refurbishing heavy equipment, and it might change his total business plan, so there are many, many reasons to give long lead time to these types of projects. The previous administration initiated some efforts in that regard and I believe this administration has improved even further, I will give them that. I think some of the projects came out fairly early last year and I think that is very, very important. It is very important that municipalities and contractors alike and equipment suppliers and manufacturers, wholesalers and everybody who is involved in the construction industry, in the labor market, knows exactly what is coming up in future years. Mr. Chairman, I could talk for a great length of time about the philosophy of funding water and sewer systems. I went through some of it last Friday under another heading and I do not particularly want to go over the same ground again, but I think it is important that we

reflect on the whole rationale of financing capital construction in municipalities. I think the Leader of the -

An Hon. Member: We have to do another half dozen bills before 12 o'clock.

Mr. Windsor: Another half a dozen bills before 12 o'clock. I am not going to take a lot of time on this. This actually is routine and there will be other opportunities to deal with it. I just want to emphasize the point that we must look at it. I can appreciate the position the Government is in from a financial point of view, the limited number of dollars that are available and we must optimize the usage of those dollars. They must be used where the need is greatest and we must also get the greatest value. Let us put in - I will not go over what I have said before because I have said it in this House but let us put in a level of service that is appropriate and the level of service that is required is not always the same in every municipality, but let us look at our priorities on a long-term basis and deal with them in that light. Mr. Chairman, let us have a look at who is paying for them. I think if you want to analyze: and we went to an argument last week about who is paying for what, if you analyze who is paying for services in this Province you will find that the larger municipal centres are paying an unfair percentage of the cost of such services. There is a rationale as I said last week for the larger centres providing some support for smaller communities who have the higher per capita costs, but let us balance that and let us be fair to everyone.

So, Mr. Chairman, I am going to sit down now on those few words. I could get into a whole range of further areas but I do not think there is anything to be gained at this point in time, significant to know that there is a tremendous amount of work being done in this Province and I simply urge the Minister to come forward with his program for this year at the earliest possible date so that contractors and municipalities and suppliers and everybody else can get forward with the work that is required on a timely basis, so that particularly as it relates to Labrador, if you do not know early then you may miss the whole construction season.

On motion, resolution, carried.

On motion, enacting clause, carried.

On motion, title, carried.

Mr. Baker: Motion 3, Bill No. 69.

Resolution

That it is expedient to bring in a measure further to amend The Loan and Guarantee Act, 1957, to provide for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations.

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

Mr. Baker: Thank you, Mr. Chairman.

Whereas we have had a fair amount of debate on the previous Bill, Bill 70, this Bill has not yet had a lot of debate. In explanation

these are loans, some of them relating to the fishing industry and so on and all over the Province.

An Hon. Member: (Inaudible).

Mr. Baker: And in the explanatory notes clause 1 of the bill would amend the schedule of The Loan and Guarantee Act as follows: and it lists a number of loans that have been either given or extended, 1 and 2 was a guarantee that was reduced actually from \$700,000 to \$450,000.

Item No. 3, the fish plant in Herring Neck guarantee expires February 28, 1991, for a quarter of a million.

P. Janes and Son, Item No. 4. There is an extension - Order-in-Council this year, \$1 million for the fish plant company operated in Hant's Harbour, Jackson's Arm and Salvage. Item No. 5, a company in Bay Roberts, which expires the end of the year. Torngat Fish Producers Co-operative Society, a previous loan guarantee expired and we have approved a new half million dollar loan guarantee which is a quarter of a million less than the previous guarantee, Mr. Chairman. And White's Fisheries, an additional \$175,000 loan guarantee for the fish plant located in Sandy Cove, which again expires at the end of this year. And it also deals with some NLDC stuff, loan guarantees, and I do not intend to go through them all, I am sure that members opposite will have a look at them and have their particular comments.

I would like to make the point that this is a normal bill which is done every year to take care of loan guarantees the Government

makes or extends that are outside of the Municipal Financing Corporation, outside the Water and Sewer Bills that we just finished dealing with.

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

Mr. Windsor: Thank you, Mr. Chairman.

Once again, as the President of Treasury Board has pointed out, most of these are quite straightforward. A number of them are simply extensions of guarantees that have been in place for a period of time. I think all I will say there is a few words to deal with again the philosophy, and there was a time when the Premier was indicating that perhaps this mechanism may not be one that this Government would be too anxious to use. And I think he has learned very well, and this Government has learned very quickly, that industry in this Province will not survive without this kind of support from Government, and they need it. They absolutely must have it, Mr. Chairman. One of the problems being that many of these companies are under capitalized. They do not have the amount of capital invested in them that they really should have, so they are carrying too high a percentage of debt, their debt service ratio therefore is strangling them because the capital is not available.

The sad part about this bill, Mr. Chairman, is that on the one hand we are providing such loans to companies and on the other hand, although we are providing funding here for Development Savings Bonds, we now know that those bonds will no longer be issued. So these will no longer be

available. That was a good issue. As I said in a debate last week, and I will not cover that ground for any great length of time, but it is hypocritical here, Mr. Chairman. On one hand we are continuing to provide funding for industry, and on the other hand we are eliminating a mechanism which allowed investors, private individuals in this Province to invest in those industries, to help Government to support those industries, to give them the kind of capital that they need to make them more viable.

An Hon. Member: (Inaudible).

Mr. Windsor: Pardon?

An Hon. Member: (Inaudible).

Mr. Windsor: Not a lot because it was a new concept.

An Hon. Member: (Inaudible).

Mr. Windsor: Yes, relatively speaking, they actually moved faster than they had anticipated they would have moved. Okay. But I admit there are not a lot of companies that are involved in it. And they can only move when the companies come forward and do an issue, okay. But there were a number of companies who were looking at it. The Stocks Saving Plan is another one. It takes more initiative from the companies basically. All right. This particular one is an issue from Newfoundland Development Corporation.

An Hon. Member: We need to (inaudible).

Mr. Windsor: Pardon?

An Hon. Member: (Inaudible).

Mr. Windsor: Oh, okay, that is grand.

An Hon. Member: (Inaudible).

Ms Verge: Popular man.

Mr. Windsor: I have been given my strategy. So I will have to say it twice now.

But to answer the question, because the hon. gentleman, I think, is asking a serious question, yes, the Development Savings Bonds were sold by Newfoundland and Labrador Development Corporation essentially, and the funds used to finance these types of industries. Not through these loan guarantees, these are direct loan guarantees by the Province, but as equity funding by the Development Corporation, so that a company such as Island Seafoods may go to Newfoundland and Labrador Development Corporation and may get the corporation to invest a half a million dollars by way of equity.

They might put additional funding in by way of loans similar to these, which they were prepared to do because there was equity there to cover it. But the Development Corporation, they are almost like a bank, except they have more favourable rates. But there must be some equity there, some reasonable assurance of a return on the investment before they would invest it.

But they might buy a half a million dollars worth of equity which has the advantage to a company from a cash flow point of view, but the company is only then paying the principle or the dividends. The same as principle, but not paying back the principle

- okay? Whereas on loans you are paying back principle and interest. So there is an advantage, a great advantage, to have some equity invested there. From a cash flow point of view it makes the company more viable. So with the Development Corporation they could get equity and they could get loan funding at favourable rates.

Companies in this Province, their big problem is working capital. Now most of these corporations will not fund working capital. Some corporations will to a degree, so there must be some security for it. But most institutions will not fund working capital unless there is some guarantee. And that is where these loans come in. A company like Island Sea Foods - I am only using that as an example, not to be critical of the company at all. In fact they are a good company - they may well have trouble getting working capital. And that is where the Government guarantees come in.

The Government says to a financial institution, we will accept the risk here. We think this is a good company. There are social reasons why we want that fish plant to continue operating in that community. And it may be a \$5 million industry and Government is asked to guarantee \$250,000 of working capital. Without that \$250,000 of working capital, a \$5 million industry could well be lost, and the 300 or 400 or 500 hundred jobs that it represents in a small community may well be lost. And hon. Members opposite who have rural communities that depend on one industry know the implications of losing that one industry.

And so it is a good risk. Even if Government eventually had to pay off the full \$250,000, it probably still would be a good investment. The record is very good. The record is very good. There are a number of these each year that Government will have to pay off, and that is to be expected. The number we have to pay off is a function of how careful we are, how generous we are in giving out these loans and guarantees, and how careful we are in doing the proper assessment. I believe the inter-departmental committee that is established, and I am sure it is still in place, have officials that always address these questions. I think they do a tremendous job of assessing and appraising the applications as to which ones should be funded and which ones should not.

But the Development Savings Bonds were an opportunity for real capital investment by Newfoundlanders and Labradorians. Outside of the things that I spoke about last week, when we debated keeping money in the Province and the Minister argued all of this: if we can borrow from the Japanese at 5 per cent, why pay 11 per cent? - but he just borrowed on the US market at 10 per cent.

We are not comparing Newfoundland Savings Bonds with borrowing in the Japanese market, we are not even comparing with borrowing in the US market, we are comparing with Newfoundlanders buying Canada Savings Bonds versus Newfoundland Savings Bonds. And as I recall, I could be corrected, I think there is a quarter of a per cent difference. I think we paid a quarter of a per cent more than was being paid for Canada Savings Bonds to make our bonds more attractive. And that is what we

are competing with.

An Hon. Member: (Inaudible).

Mr. Windsor: Yes.

An Hon. Member: (Inaudible)
\$1,000 (inaudible).

Mr. Windsor: That is right, the same as the Canada Savings Bond. You could invest \$500. You know, you can have it deducted through your payroll the same as you can a Canada Savings Bond, and it is all money that was not going out of Newfoundland.

I think there is something like \$400 million, if my memory serves me, that we identify each year, \$400 million that is invested outside of Newfoundland, in Guaranteed Income Certificates, in Trust funds and in mutual funds, in all kinds of investment certificates and documents that are on the market place, all controlled from downtown Toronto, basically.

And all that money was going outside, so Development Savings Bond was an issue, and the Newfoundland Stock Savings Plan, which has a similar purpose but is a different vehicle for doing so. But it was a mechanism to keep some of that money in Newfoundland and to give Newfoundlanders an opportunity to invest, and thirdly, to make Newfoundlanders aware of industry in the Province, and fourthly, make industry aware that there was another way of financing their business - right?

Industry in this Province, business in this Province is basically - I have to be careful. I will probably be criticized - basically immature when it comes to financing or operating the

finances of a company. We have always operated basically on cash, so that when we want a cash flow, maybe a loan from the bank and that would be it. But the concept of a share issue for something that really was considered only by a couple of the larger companies, a couple of the larger companies only, so this programme, more so the Stock Savings Plans than the Development savings bond, but the two are related, the program was designed to encourage companies to go to other sources for funding. Not just to the banks where you are paying a high rate, not to Government where the taxpayers have to share the risk, but to give other Newfoundlanders an opportunity to invest. And it also is favorable because you are getting equity instead of loans. And, as I just went through, equity is better for the bottom line, the cash flow situation, than the loan.

And, so, it was was an appropriate vehicle, I think, an appropriate instrument to attract investment by Newfoundlanders in Newfoundland companies and to help those companies mature financially in their financial structure, and it worked with several of them. There are a number of companies: I think the White Hills Ski Club in Clarenville was funded largely through the Stock Savings Plan. A large amount of money was raised, I forget exactly how much, but there was an issue and Newfoundlanders have invested in it. Resourcecan: a good Newfoundland company, basically involved in investing, in equity funding. And the way that one works is that they sell the share issue in Resourcecan and they, in turn then, invest in the high-risk sort of area. And that is how a lot of funds were raised by that

corporation and are now being used to fund any number of small projects around the Province that are high, high risks. But it worked very, very well. And I think it is a retrograde step to lose the development saving bond opportunity, and I feel strongly - I am told that the Government is considering eliminating the Stock Savings Plan. I hoped they would reconsider that. Think about what I am saying, because I am quite sincere in what I am saying. I think there are good arguments to be made to retain both of those programs. Certainly the Stock Savings Plan is one a lot of companies are now considering taking advantage of.

A gentleman asked how many people had taken advantage of it. There were, I think, seven or eight issues under the Stock Savings Plan that have been (inaudible), and I know of at least three more that are in the planning stages now; companies that are proposing to issue certificates on the Stock Savings Plan to sell shares in order to raise working capital and equity funding.

Mr. Chairman, there is not a great deal that can be said about the individual items here. That one, I think, is the most important one. Many of them are straightforward. Which fisheries do I need to mention?

An Hon. Member: (Inaudible).

Mr. Windsor: (Inaudible) about that. One more minute.

Which fisheries do I need to mention? As I had some involvement with that one some time ago, initially, the good operation in the district of the Minister of Health. I understand

they had problems getting this particular one. I am delighted to see it here. It is a different type of operation, or a different type of operator - a different type of operator. But they are good, sincere people. They are good, sincere Newfoundlanders who are employing - 400, approximately?

An Hon. Member: (Inaudible).

Mr. Windsor: Yes, about 400 people, up on the Northern Peninsula. It has been there awhile. They may not be highly trained business people, but they are sincere and they are struggling to keep that industry going, and they deserve some help. They may need some help in management and planning. There was a program that was cancelled by the previous administration, and I do not mind saying I objected to it being cancelled. It was NIMAT, Newfoundland Institute for Management Advancement and Training; so I always thought it was one of the things that we eliminated that was a mistake. That was my opinion and the balance of - you know, I do not mind saying it. I guess I am not breaking Cabinet secrecy or anything, because I have said this many times. But I thought that was a good institute. Because there are so many companies, such as some of these here, that could use a lot of help in management training. We have put a lot of funding into the School of Business in place of that, and that is good; and I am familiar with it - I have a daughter in the School of Business. There are a lot of good, young students here. If more of these companies were encouraged, and if the Government wants a program to help, they might come up with a program to help more companies hire on these

business students when they are on a work term. It is a Co-op Program. My own daughter is doing a work term now and gaining great experience. And I believe the people that she and her other classmates are working with are gaining from their knowledge, their professional approach to business. And it would be a good program for this Government to consider, to help and encourage and to maybe pay half the salary or some sort of a thing, as we do with Make Work programs; but to encourage more companies to hire some of these business students during their work terms. And I think they would both benefit, both the students and the companies. Mr. Speaker, I am going to sit down. I realize we have other things we need to do. Thank you.

On motion, resolution carried.

On motion, enacting clause carried.

On motion, title carried.

Mr. Baker: Mr. Chairman, I move that the Committee rise and report progress.

On motion, that the Committee rise and report progress, Mr. Speaker returned to the Chair.

Mr. Speaker: The hon. the Member for Trinity - Bay de Verde.

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

On motion, report received and adopted, resolutions ordered read

a first and second time, Bills ordered a first, second and third time, now, by leave.

On motion, resolutions read a first and second time.

On motion, a Bill, "An Act To Amend The Local Authority Guarantee Act, 1957, (No. 2)", (Bill No. 70), and a Bill, "An Act To Amend The Loan And Guarantee Act, 1957, (No. 2)", (Bill No. 69), read a first, second and third time, ordered passed and their titles be as on the Order Paper.

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

Mr. Baker: Thank you, Mr. Speaker. It is time to close and I would like to simply make a very brief comment, Mr. Speaker, that things have been going really well in the last two days. We have dealt with a lot of legislation, members have expressed opinions, and there have been some amendments to legislation and so on. I would suspect that if the same spirit of co-operation continues, we will not have to be here on Christmas Eve, Mr. Speaker.

So I am looking forward to this new attitude of co-operation. I thank members opposite for the change in attitude, and I really look forward to the next week.

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

Ms Verge: Mr. Speaker, it is so nice to -

Mr. Speaker: I am assuming that we have called it 12:00 o'clock.

An Hon. Member: Yes, we have.

Ms Verge: Thank you, Mr. Speaker. It is so nice to see the Government House Leader smiling and paying compliments to the Opposition; we are soaking up all of the praise we can get.

I wonder if the Government House Leader, before we conclude today, would let us know his plans for the House on Monday and Tuesday, when we will be rejoined by our esteemed Opposition House Leader.

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

Mr. Baker: Thank you, Mr. Speaker.

Mr. Decker: There's a love-in.

Mr. Baker: I kind of shudder to think of the fact that the Opposition House Leader will be back on Monday, and I am hoping that will not have an affect on the air of co-operation.

We intend to, first of all, do some third readings of bills on Monday, and then get back to our debate on the Opposition amendment to the regional services board legislation, the six month hoist. So that is our plan for Monday.

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

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