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PRELIMINARY
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TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD
3:00 p.m. - 6:00 p.m.
THURSDAY, JUNE 3, 1982

The House met at 3:00 P.M.

Mr. Speaker in the Chair

MR. SPEAKER (Russell):

Order, please!

Yesterday during the Question Period the question was raised, I think by the Opposition House Leader (Mr. J. Hodder) or the Leader of the Opposition (Mr. S. Neary), as to whether or not the hon. member for Stephenville (Mr. F. Stagg), I think, would be permitted to ask a question during Question Period. It occurred at the end of the Question Period and I said at that time I would hopefully make a ruling on it today. I have looked at the matter and am satisfied that the legal entity of parliamentary secretaries has not been established and shall not be established until such time as departmental legislation is passed in the House of Assembly.

MR. CALLAN:

Well they will not be paid.

MR. SPEAKER:

And I understand also that the people who have been designated as parliamentary secretaries are not being remunerated at the present time for the position and therefore until the act becomes legal, while it is a little unusual perhaps for government backbenchers to ask questions of ministers, it is certainly permissible.

STATEMENTS BY MINISTERS

MR. W. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

Council.

The hon. the President of the

MR. MARSHALL:

Mr. Speaker, I have a -

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

- I have a statement to make in the absence of the Premier - I spoke with the Premier at lunchtime today and he is aware of this statement - and I make it, as I have indicated, with a great deal of regret.

MR. W. MARSHALL: Mr. Speaker, I very much regret to advise this House that at 12:00 noon today we were informed the Supreme Court of Canada had set the federal reference to the offshore issue for hearing on November 29th, 1982.

SOME HON. MEMBERS: Shame, shame!

MR. MARSHALL: The Federal Factum must be submitted by November 25th, 1982, the Provincial Factum must be filed fifteen days after that, on November 10th, 1982.

Now, Mr. Speaker, this is obviously a time for measured words and comment. The Cabinet will be fully assessing this decision and more detailed comment will follow after government has fully weighed the implications of this decision. However, it does need to be said - and this, Mr. Speaker,

MR. MARSHALL: could prove to be the understatement of the century, and certainly the understatement of the past thirty-three years - that the government of this Province and indeed the people of Newfoundland and Labrador will receive this decision with deep and bitter disappointment which will ensure for many years to come.

To set a date for the hearing of the federal reference before the Supreme Court of Newfoundland will have had an opportunity to render a considered decision on the issue is a departure from what is the accepted practice. To those who might state that the High Court of this Province could hear and render a decision before November 29, we would point out that the issues involved are complex and the material to be considered is voluminous. Mr. Speaker, I could add to that by way of example that the reference that every one is familiar with here in the reference to the Labrador boundary was referred to the courts in 1922, with the Privy Council. To give you an idea of the complexity of decisions like this, it took four years for the hearing to take place, November/December 1926, and their decision was not rendered until March of 1927. So that is why I say the issues involved are complex and the material is voluminous.

In effect, Mr. Speaker, what this decision does is to apply a stop watch and deadline on the Supreme Court of Newfoundland when it might not be possible to give an opportunity for a fair and comprehensive hearing and treatment of the issues within the time frame let alone render a reasoned decision. The issues involved in this case, Mr. Speaker, are of vital concern to this Province. Surely the objective must be to afford adequate opportunity for a full and complete hearing and not to have a decision rendered within a specified time.

MR. MARSHALL: I feel quite sure there are many parties to court actions who would like matters considered within their own time frame work but this is not available to them. We are advised in this case that no reasons were rendered by the court in setting the November 29th deadline. The court has obviously decided that the federal government was not only legally correct but was entitled to be granted its wish for early hearing.

In our country what the Supreme Court of Canada states to be legal is legal. However, there is no doubt that this action is not in accord with custom or practice, and we have the benefit of weighty and respected opinion to this effect both within and without this Province.

Finally, Mr. Speaker, while we have to acknowledge the Supreme Court of Canada must make its decision on law, let there be no doubt in anybody's mind that it did not have to make this decision had not the reference and application been made to it by the federal government. To those journalists outside this Province who have the habit and penchants of following the federal line on all matters,

MR. MARSHALL: may I emphasize our referring the matter to the Supreme Court of Newfoundland is not an excuse for Ottawa's action as has been mooted from time to time by them. In fact, we made the provincial reference to attempt to preclude the federal government's bringing the issue to the Supreme Court of Canada and thereby circumventing the Supreme Court of this Province through the SIU case.

AN HON. MEMBER: Hear, hear.

MR. MARSHALL: If the matter was to be resolved judicially, and we do not feel that this—we have always said it is the appropriate way to be resolved, but if it had to be resolved judicially, we felt, and we still do that we were entitled to a full hearing of our case by the highest court of this Province in accordance with Canadian practice.

SOME HON. MEMBERS: Hear, hear.

MR. MARSHALL: Ottawa's attempt through the SIU case to circumvent the court of this Province has failed. It has now succeeded though in its actions and its actions will be long remembered by the people of our Province. In the meantime, Mr. Speaker, let it be understood that this resource belongs to the people of this Province and this administration intends to see that it is secured to them.

AN HON. MEMBER: Hear, hear.

MR. MARSHALL: Further statements will be made after Cabinet fully assesses the implication of this most regrettable turn of events.

SOME HON. MEMBERS: Hear, hear.

MR. MARSHALL: I have, Mr. Speaker, - I do not have copies for all members of the House because the statement was prepared over the lunch hour, but I am sure the Page will be able to Xerox them and distribute them.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Russell): The hon. Leader of the Opposition.

MR. NEARY: What we just heard, Mr. Speaker, is another communiqué from the war Cabinet. The only part of the hon. -

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

MR. NEARY: The only part of the hon. gentleman's ministerial statement that I agree with, Mr. Speaker, is the second last paragraph in which he said that the resource under the sea off our shores belongs to Newfoundland. That we agree with. That is our position, it has always been our position and always will be our position. But what concerns me about the minister's statement, Mr. Speaker, is the fact that they seem to have ruled out a negotiated settlement, they seem to have ruled that out completely. The hon. gentleman in this statement is continuing the battle of the words and the battle of the courts.

And something else that concerns me about it too, Mr. Speaker, is the tone of the statement, almost a vicious assault on the Supreme Court of Canada, close to an attack, Mr. Speaker, on the Supreme Court of Canada which -

SOME HON. MEMBERS: Oh, oh.

MR. WARREN: That government is used to that.

MR. NEARY: could very easily undermine the confidence of the people in the judicial system of this country.

MR. WARREN: Yes. Right on.

MR. NEARY: And there was also - I would say it was a lecture to the Supreme Court and then there was a condemnation of the journalists, the journalists outside of Newfoundland. This is something new now. Mr. Speaker, they seem now to be looking for somebody else to attack, so now they are going to attack Mainland journalists, journalists outside of the Province.

Now, Mr. Speaker, I can only repeat what we have said so often, is that in the kind of a mugs game that this government is playing nobody can win, Mr. Speaker. The only sane and sensible way to settle this matter is through negotiations. The hon. gentlemen remind me now of the Argentinians in Fort Stanley, they are getting hemmed in, they are getting surrounded, they are getting surrounded, Mr. Speaker. And every day we are going to have a communiqué from the war Cabinet.

Mr. Speaker, I repeat what I said yesterday and what I will keep repeating as long as the communiqué's last and that is let the provincial government withdraw their case from the Newfoundland Court and let the Government of Canada withdraw their case and sit down to the bargaining table and settle this thing through peaceful negotiations.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: And let me add one other thing, Mr. Speaker, let me add one other thing, that only today I was looking at the Heritage of the Sea, a document that was put out when Mr. Moores was Premier of this Province; a copy was put in every household in Newfoundland telling the people that

MR. NEARY: we had a strong case, And I happen to think that we do have a strong case. So what are we worried about if we have a strong case? What do we have to fear? Is the hon. gentleman admitting that we have a weak case or is he just playing a little political -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: - is he playing little political games? Is he starting the federal election? If we have a strong case let us slug it out and let us putmanoeuver them and outfox them, and let us fight for Newfoundland, instead of sitting over there day in and day out and whining and moaning and bawling and crying.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please! Order, please!

MR. NEARY: Mr. Speaker, I am very concerned over this. It seems to me that they have completely ruled out negotiations.

MR. WARREN: That is right. Yes.

MR. NEARY: And that is the only regrettable thing I see today in this whole affair, Mr. Speaker. They have got themselves boxed in now and they do not know how to get out of it.

MR. WARREN: Yes. They are into it.

MR. NEARY: They have a mandate to negotiate. I heard the hon. gentleman yesterday, and I believe it was the Premier, they have a mandate to negotiate. The people of this Province gave them a mandate to negotiate. Now go and negotiate and get the thing settled.

MR. WARREN: Hear, hear! Hear, hear!

MR. SPEAKER (Russell): Order, please!

Before I recognize the hon. the Minister of Fisheries (Mr. Morgan), I would like to welcome to the galleries today, Mr. Francis Corrigan, Principal of Stella Maris Central High, in Trepassay, in the district of St. Mary's - The Capes and twelve student assistants from the school. I welcome you to the galleries today.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: Mr. Speaker, the Kirby Task Force, which was appointed by the federal government to look into the problems of the whole fishing industry in the Atlantic Provinces, has now lost substantial credibility with its recent action promoting a \$2 million, six month bail out of the fish plant problem in St. Anthony in the district of the federal Cabinet minister, the Minister of Revenue (Mr. Rompkey). This band-aid remedy is supposed to be administered in the district of the federal minister, in this case, who made the announcement on behalf of the federal Minister of Fisheries (Mr. LeBlanc), the hon. William Rompkey, Newfoundland's representative in the federal cabinet. Mr. Speaker, over the past number of months, this federal task force, the Kirby Task Force, has rejected applications for financial assistance from financially troubled Newfoundland fish processing firms. Not only that, Mr. Speaker, but this federal government task force refused to get involved with the specific but major problems in this Province's fishing industry, leaving the provincial government with

MR. MORGAN: having to assist on its own
twenty Newfoundland fish processing firms by means of
\$20 million in loan guarantees to enable these twenty
fish companies to re-open thirty-seven fish plants
all around the Province. In other words, Mr. Speaker,
thirty-seven fish plants would not now be re-opened
in Newfoundland if it were not for the Newfoundland
Government acting alone.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: The reason why it acted alone
is because the Kirby Task Force refused
to get involved.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: Now, Mr. Speaker, we
provided this

MR. MORGAN: financial assistance because as a provincial government we are firmly committed to the maintenance and development of our fishing industry for all the people of our Province.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: We now have to ask is the federal task force and the federal government, which also has a large responsibility for fishery development in our Province, saying to the residents of such places as, Greenspond, Hant's Harbour, Salvage, Petty Harbour, Charleston, Triton, Burnt Island, Codroy, Tors Cove, Dildo, Flower's Cove, Chance Cove and other areas around the Province which would have seen their plants close this year if not for the financial assistance provided by the Newfoundland Government, that these people are not good Canadian citizens? If the federal government and the task force are not saying this well, Mr. Speaker, the question is why the discrimination? Why the discrimination?

MR. HEARN: Politics. Politics.

MR. MORGAN: Despite the federal task force refusal, Mr. Speaker, despite the federal government and federal task force refusal to help out other private sector fish processors around the Province, they have now decided to bail out the processing problem at St. Anthony. But they decided to do it in a way that is not acceptable to the Newfoundland government, and over the long-term is not going to be in the best interest of the Newfoundland people and in particular the people of St. Anthony. Instead of the federal government task force and the federal government helping with the request of the company, Fishery Products Limited - and, by the way, Mr. Speaker, that company made a very firm request to the federal task force and to the federal minister and the federal government for more fish

MR. MORGAN: to be allocated to the St. Anthony operation. This is what the company has been seeking for the past number of months. The federal government, through the Kirby task force, is now forcing Fishery Products, the largest Newfoundland fish company we have in business in Newfoundland, is forcing that company to give up its plant and their processing operation in St. Anthony and pass it over to the federal government through a federal agency - and I use the term forcing without hesitation.

Mr. Speaker, the federal government's handling of this whole situation leaves much to be desired. It leaves much to be desired and raises many concerns with respect to not only the future of the fishery in the St. Anthony area but the long-term future of the fishery in other areas of the Province. Consequently, we are calling on the federal Minister of Fisheries, the hon. Romeo LeBlanc, who has yet to make a statement on this matter -

MR. WARREN: A great job.

MR. MORGAN: - we are calling on Mr. Michael Kirby, the head of the task force appointed by the federal Cabinet,

MR. MORGAN: and we are calling upon the hon. William Rompkey, Newfoundland's minister in the federal Cabinet who is directly involved in this situation; as well as, Mr. Speaker, others who are connected with or supporting the federal government on this matter, to provide the answers to the following questions. And, Mr. Speaker, these are important questions. Why is it that the federal government has not complied with Fishery Products' request for additional allocations of fish stocks to the St. Anthony plant? Why is it that the federal government has not complied with the request to have additional fish stocks allocated to the St. Anthony plant? Why is it?

MR. NEARY: They gave it already.

MR. MORGAN: Well let me answer it, Mr. Speaker. Is it because, Mr. Speaker, they have been all allocated to foreign fishing fleets?

SOME HON. MEMBERS: Oh, oh.

MR. MORGAN: Is that the reason, Mr. Speaker?

SOME HON. MEMBERS: Oh, oh.

MR. NEARY: (Inaudible) if they had a government, a provincial government that they could deal with, and a minister they could deal with.

MR. MORGAN: Mr. Speaker, number two, why is it the federal government is refusing to directly subsidize a private sector company, Fishery Products, with regard to their losses at St. Anthony? Why is it that they are refusing to directly subsidize the company, the private sector company? Why is it necessary for the federal government and the federal government Task Force to establish a federal agency, a federal Crown corporation, a federal company to take over the operations at St. Anthony? These are questions unanswered.

SOME HON. MEMBERS: Oh, oh.

MR. MORGAN: Mr. Speaker, why is it that this rather strange scheme -

MR. NEARY: Because they want to keep them out of the welfare lines.
MR. MORGAN: Mr. Speaker, could the hon. gentleman -
MR. SPEAKER (Russell): Order, please!
MR. MORGAN: - over on the Opposition side
who likes to be always complaining about, when he is speaking,
being heard in silence, could you ask him, Mr. Speaker, to please
remain quiet.

Mr. Speaker, why is it that this
rather strange scheme -

SOME HON. MEMBERS: Oh, oh.
MR. NEARY: A point of order, Mr. Speaker.
MR. SPEAKER: Order, please!
A point of order, the hon.
Leader of the Opposition.

MR. NEARY: Mr. Speaker, my impression of
the standing rules of this House is that a Ministerial
Statement can only be made on an urgent matter, something
that is current -

MR. BARRETT: Sit down, boy.
MR. NEARY: - no, a current important matter
and it has to convey information.

MR. BARRETT: (inaudible) are not important.
MR. NEARY: And it has to convey information,
Mr. Speaker.

MR. MORGAN: Not important enough?
MR. SPEAKER: Order, please!

MR. MORGAN: Where is your colleague for the area?
MR. SPEAKER: Order, please!

MR. MORGAN: Down practicing law again?
MR. SPEAKER: Order, please!

MR. NEARY: And the minister -

MR. WARREN: He is on television.

MR. NEARY: Mr. Speaker, I do not know if
the hon. gentleman is aware of it but he is breaking another

MR. NEARY: rule now, Mr. Speaker. You do not refer to a member's attendance when you are speaking in this House.

SOME HON. MEMBERS: Oh, oh.

MR. NEARY: Well, Mr. Speaker, if they want to start that game -

SOME HON. MEMBERS: What is your point of order.

MR. SPEAKER (Russell): Order, please!

MR. NEARY: - I will be very glad to -

MR. SPEAKER: Order, please!

The hon. Leader of the Opposition

(Mr. Neary) rose on a point of order and the Chair is still waiting to hear that.

MR. NEARY: The point of order, Mr. Speaker, is that the hon. gentleman is not conveying information in his Ministerial Statement.

MR. NEARY: He asked a number of questions and I was in the process of giving the hon. gentleman the answer. For instance, one of the questions he put was, Why did the federal -

SOME HON. MEMBER: What is your point of order?

MR. NEARY: - Why did the federal government put direct funding into the St. Anthony Fish Plant and I said to keep the people off welfare and to give them some source of employment this Summer. Now, if the hon. gentleman keeps asking questions -

MR. TOBIN: How about Fishery Products?

MR. NEARY: - instead of giving the information, Mr. Speaker, then he is breaking the rules of the House.

MR. SPEAKER (Russell): Order, please! The hon. Leader of the Opposition has not raised a valid point of order. The hon. Minister of Fisheries (Mr. Morgan) may continue with his statement, but I would ask all hon. members to let him be heard in silence.

MR. MORGAN: Thank you, Mr. Speaker, for the protection of the Chair.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: Now, Mr. Speaker, yesterday in the House of Commons the minister stood on his feet and replied to a question from the Member of Parliament from St. John's East (Mr. McGrath) and said that he had offered assistance to the Fishery Products company in St. Anthony and they had refused. He had refused to indicate to the House of Commons exactly what kind of assistance it was. It was not financial assistance. There was never any financial assistance offered by the federal government to Fishery Products in St. Anthony. Never, to this date. Never!

MR. RIDEOUT: A misleading statement.

MR. MORGAN: What did they offer?

AN HON. MEMBER: Nothing.

MR. MORGAN: They offered to arrange for foreign fishing fleets to catch their quota allocated to Fishery Products for turbot off Labrador, and land it and process it in St. Anthony.

MR. POWER: Shame! Shame! Shame!

MR. MORGAN: What a big deal. What a big deal.

MR. POWER: Shame!

MR. MORGAN: Part of their own quota allocated to them, to arrange to have foreign countries, and foreign fleets come and catch that quota allocated to a Newfoundland company and land it and process it in St. Anthony. That is the assistance offered to the company in St. Anthony.

MR. STAGG: That is why the member for the Strait of Belle Isle is not here today.

MR. POWER: Shame! Shame! Shame!

MR. MORGAN: It is too bad the hon. gentleman for the Strait of Belle Isle (Mr. Roberts) is not down - he should be here in the House rather than down practicing law, Mr. Speaker. He should be here in the House listening to the problems of his own riding. He appears once in a while and makes a big hullabaloo over the problems in St. Anthony, the rest of the time he is down practicing law on Duckworth Street, not showing too much concern for the people in St. Anthony.

MR. STAGG: A Ministerial Statement.

MR. MORGAN: Mr. Speaker, why is it that this new proposed federal agency, or corporation, why is it that this new proposed federal agency or corporation has not yet contacted the Newfoundland Government? We have not yet heard from this new proposed federal agency, this new proposed

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Tape No. 873

NM - 3

MR. MORGAN: federal corporation.

MR. NEARY: What are you so sore about?

MR. MORGAN: But the fact is, Mr. Speaker,
the law is the law.

MR. SPEAKER (Russell): Order, please!

MR. MORGAN: Mr. Speaker, the law is the law.
If you want to go fishing tomorrow morning you obtain a licence
from the federal government. If you want to operate a processing
plant in Newfoundland you obtain a licence from the Newfoundland
Government.

SOME HON. MEMBERS: Hear, hear!

MR. MORGAN: But, Mr. Speaker, the new
federal agency to date -

MR. NEARY: (Inaudible) the Public
Servants (inaudible).

MR. SPEAKER (Russell): Order, please!

MR. MORGAN: Mr. Speaker, to date this
new federal agency has chosen to ignore the law and ignore
the Newfoundland Government. We have not yet heard from this
new federal agency and we have not yet received

June 3, 1982

Tape No. 874

MJ - 1

MR. J. MORGAN: an application for a processing licence to carry out an operation in St. Anthony as of today, right now, on the 3rd of June, 1982, at 3:30 in the afternoon.

Mr. Speaker, the big question is, what is the federal government's plan, if indeed they do have one, to make the St. Anthony Plant viable and remain open after the six month arrangement expires? That is the question.

MR. S. NEARY: He is not going to tell you.

MR. MORGAN: Not going to tell me.

MR. NEARY: Why should they tell you?

MR. MORGAN: Listen to the hon. gentleman and his good friend from Burnt Island has got a \$200,000 loan guarantee from the Newfoundland government.

MR. NEARY: And the hon. gentleman got a television business.

MR. MORGAN: Listen, Mr. Speaker, to the hon. wart over there.

MR. SPEAKER (Russell): Order, please!

MR. MORGAN: Listen to him.

MR. NEARY: (inaudible) do not mind rocking the boat (inaudible).

MR. MORGAN: Mr. Speaker, the hon. gentleman does not like the facts and it hurts him.

MR. NEARY: Tomorrow he will be wearing another hat.

MR. MORGAN: Mr. Speaker, the answers to these questions should be provided immediately to the provincial government and to the fishing industry in Newfoundland, especially the private sector, because, if not, what is stopping the federal government from moving in next week or next month and forcing some other private sector company out of some other area of the Province who find themselves in financial difficulty?

MR. NEARY: Fish plants in Newfoundland.

MR. MORGAN: How about Burnt Island for a beginning?

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Tape No. 874

MJ - 2

MR. NEARY:

Hear, hear!

MR. J. MORGAN:

Therefore, Mr. Speaker, as of today -

MR. NEARY:

You should get down on your

knees and thank them.

MR. MORGAN:

Mr. Speaker, the hon. gentleman,

would you ask him to keep quiet, Mr. Speaker?

MR. SPEAKER (Russell):

Order, please!

MR. MORGAN:

Mr. Speaker, as of today, we will

be obtaining the opinions and views of the private sector in the fishing industry of this Province on this very important matter. We will be obtaining it through responsible organizations, the Fish Trades Association, which represents all the larger companies in the private sector, and also the independent fresh fish producers, which are the smaller medium sized companies involved in the processing medium sector of the Province, getting their opinions and views of this kind of action being taken by the federal government without consultation with the Newfoundland government here.

MR. MARSHALL:

Shame, shame!

MR. MORGAN:

Now, Mr. Speaker, I will close by

saying that this kind of action by the federal government task force is an example of blatant political patronage.

SOME HON. MEMBERS:

Hear, hear!

MR. MORGAN:

Blatant political patronage.

SOME HON. MEMBERS:

Right on, right on.

Hear, hear!

MR. MORGAN:

It is blatant political patronage where the people, residents of thirty-eight communities are not considered to be good Canadian citizens, sufficient enough to warrant federal government help. But on the other hand, one community out of the whole Province is and that is an example of blatant political patronage.

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Tape No. 874

MJ - 3

AN HON. MEMBER:

call that.

Double action, that is what you

MR. J. MORGAN:

Now, Mr. Speaker, as of this afternoon, at the time the House opened, the Department of Fisheries had not received any inquiry, had not received any application for a processing licence to carry on an operation at St. Anthony.

MR. MORGAN: And, of course, it is clearly under the constitution that the processing sector of the fishing industry is under the clear jurisdiction and responsibility of the Provinces. The Provinces have clear jurisdiction with regard to deciding who can obtain a licence to process and operate a processing operation in the province. But to date, as of this afternoon, despite the fact that the announcement was made last Thursday by a federal minister, we have not heard from any one inquiring about the possibility of obtaining a licence to operate in St. Anthony.

MR. NEARY: Now you can sulk till the roof falls.

MR. MORGAN: Now, Mr. Speaker, when and if an application is made, if the application is made later on this afternoon or tomorrow, we will consider the application through the normal process. But what I am saying right now is that the arrogance -

MR. NEARY: The Canadians can do what the PEI likes.

MR. MORGAN: Mr. Speaker, the guy is getting annoyed over here. Will you keep that worm quiet over there.

MR. SPEAKER: (Russell): Order, please!

MR. MORGAN: Keep that little worm quiet.

MR. DINN: The Harbour Le Cou Coo-Coo is at it again.

MR. MORGAN: Mr. Speaker what we are saying is that it is an example of pure arrogance on the part of the federal government to ignore - the Newfoundland Government, sitting here as a government, on behalf of all the people of

MR. MORGAN: Newfoundland, not even to consult us, number one, and number two, to say, ' We are going to announce the reopening of the St. Anthony plant next Monday with or without a licence.'

MR. NEARY: Get to the point (inaudible).

MR. MORGAN: With or without a licence. And we are saying right now, Mr. Speaker, when an application for a licence -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. MORGAN: Mr. Speaker, when the application is made for a licence, when the application is made and we are fully consulted and given all details we will deal with the application in a normal fashion.

SOME HON. MEMBERS: Right on! Right on!

MR. MORGAN: Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, that has got to be the silliest, the foolishness, the most innocuous, the most illogical statement I have ever heard in my -

MR. MORGAN: Who opened Charleston?

MR. LUSH: I listened to the minister I never said a word, and I expect the minister to listen to me. I know it is going to be difficult.

MR. WARREN: He has not got sense enough.

MR. LUSH: I know it is going to be difficult.

MR. WARREN: He does not have sense enough.

MR. SPEAKER: Order, please!

MR. LUSH: Mr. Speaker, it was filled with nothing but emotion and illogic.

MR. NEARY: Poison and venom.

MR. LUSH: I do not know what the point of the statement was other than another attack on Ottawa.

Mr. Speaker, to suggest that the whole point of the minister's concern and anger and frustration seems to be because the federal government did not do it in the other areas.

MR. MORGAN: How come they did not do it in Charleston in Ronavista Bay?

MR. LUSH: They did not do it in Charleston.

SOME HON. MEMBERS: What is wrong with Charleston?

MR. SPEAKER (Russell): Order, please!

MR. LUSH: Mr. Speaker, this might be a beginning. Maybe if the hon. members opposite could negotiate maybe this is the beginning.

MR. MORGAN: They refused Charleston, why?

MR. LUSH: Maybe they will start, Mr. Speaker. Maybe they will start.

But, Mr. Speaker, to refuse the help in St. Anthony because it was not done in the other areas has to be silly, nothing short of being silly.

MR. LUSH: And when the member talks about political patronage, now that is a matter of the pot calling the kettle smut.

MR. NEARY: That is right.

MR. LUSH: Maybe, Mr. Speaker, that is the reason -

MR. MORGAN: Why did they not assist salvage?

MR. LUSH: Maybe it is the same -

MR. MORGAN: Did they assist salvage?

MR. SPEAKER (Russell): Order, please!

MR. LUSH: The minister knows I am making points, Mr. Speaker, and he does not want to hear them. Maybe it is the same reason why the hospital in Markland is going to be closed down and the one in Old Perlican kept open.

MR. NEARY: Right on! Hear, hear!

MR. LUSH: Maybe that is the reason, Mr. Speaker. Maybe it is the same reason, Mr. Speaker, why there is going to be no road work in Terra Nova district this year, but road work in districts across the way. Maybe that is the reason why -

MR. MORGAN: The poor member.

MR. LUSH: Do not talk so silly, 'poor member'! Do not talk so silly. If I were no more efficient than you, I would pack up and go home.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please! Order, please!

MR. LUSH: Now that you are exposed, it tells how childish, how immature the statement was.

I have said enough, Mr. Speaker.

I have said enough - the most immature, the most -

MR. MORGAN: The incompetent member for Terra Nova.

MR. LUSH: He talked about the member for the Strait (Mr. Roberts), Well, I think the member for the Strait has gone down for the official opening. I wonder whether the Minister of Fisheries (Mr. Morgan) is going to be there?

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: We are delighted, Mr. Speaker, that the federal government have moved in to open this plant. It is going to provide jobs for 800 people who otherwise would be on welfare this Summer.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. LUSH: Mr. Speaker, it is fine as long as this government is doing - political patronage is fine as long as the members opposite are doing it but the minute someone else does it, Mr. Speaker, it is not the right thing.

MR. MORGAN: Are you agreeing with political patronage?

MR. LUSH: No. I admit that it exists here and this is why it is going on. As the Minister of Fisheries says, it is as right for that side as well. Mr. Speaker, I am not at all convinced, but I just wanted to demonstrate that if that is the reason, if it is political patronage, then it is a matter of the pot calling the kettle smut. That is what it is, Mr. Speaker.

But we are delighted, even though it is only band-aid treatment. This government were not even going to apply the band-aid treatment. As a matter of fact, the minister asked in question number eight, What is the federal government's plan, if indeed they have one, to make the St. Anthony plant

MR. LUSH: viable and remain open after
six months? It is the same question, Mr. Speaker -

MR. MORGAN: You need someone to explain it to you that
is what is wrong with you.

MR. SPEAKER (Russell): Order, please!

MR. LUSH: It is the same question as
the hon. the member for the district has asked the
Premier and he is waiting for - What plans do the
provincial government have? He has received no reply
yet. Mr. Speaker, to accuse the - and to make
political points out of the fact that the hon. the
Minister of Revenue (Mr. Romkey) made the announcement,
How silly! How silly, to hear this hon. Minister of
Fisheries (Mr. Morgan) makes that statement! He would
like to make statements for every Cabinet minister over
there

MR. LUSH: every day of the week.

How silly! How silly!

MR. MORGAN: Give away the fish to Russia and Spain and Portugal and then the (inaudible).

MR. LUSH: So innocuous, so immature, so childish.

MR. NEARY: What about the crab licence to Quinlans?

MR. SPEAKER (RUSSELL): Order, please!

MR. MORGAN: Give it away.

MR. LUSH: No wonder, Mr. Speaker, when you see that level of performance that we have seen today, no wonder they are not getting on with the federal government. No wonder we are not getting any better, when we see that level of competence, that level of performance, that we have seen here today with that silly, innocuous illogical statement.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

Before I recognize the hon. Minister of Forests, Resources and Lands (Mr. Power) I would like to welcome to the gallery a delegation from the Point Leamington town council with Mayor Saunders and councillors Thompson, Elliot and Woodworth. I welcome you to the galleries today.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Forests, Resources and Lands.

SOME HON. MEMBERS: Oh, oh!

MR. POWER: Mr. Speaker - that is right. We can play the game too.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. POWER: Mr. Speaker, over the last ten

MR. POWER: years the number of applications for Crown land has risen from approximately 1,500 to 6,000 per year. This represents an increase of 300 per cent. In terms of the volume, the largest single demand on our Crown land resource is for recreational cottage lots. Last year the demand amounted to approximately 2,000 applications or 36 per cent of all applications received. On any given business day my department responds to in excess of 200 enquiries the majority of which concern the availability of lots for cottage purposes.

The difficulty experienced by the general public in locating suitable and acceptable land for such a purpose is reflected by the fact that the approval rate over the past ten years has dropped from 75 per cent to 50 per cent. The simple truth of the matter is, Mr. Speaker, that the available supply of accessible and acceptable land for cottage purposes within commuting distance of major urban centers is rapidly diminishing. I am pleased to announce that government is responding to its responsibility in this regard by undertaking the planning and development of 150 lots within a seventy mile radius of St. John's.

The proposed developments are located at Hawco Pond in Deer Park, Goulds Pond near the Trans-Canada Highway, near Hodgewater Line, and Peak Pond, which is west of Whitbourne. While government has allocated \$216,000 as seed funding for road construction and lot surveys, the full cost of development will be recovered from the applicants

MR. POWER: prior to leases being issued. Any subsequent service requested by the leaseholders will only be considered on a cost recovery basis through appropriate rent increases.

Under this programme, Mr. Speaker, the lots will be allocated by public draw. Applications will not be accepted until such time as the administrative details have been finalized and a notice advertised through the media. Upon completion of the programme this year, my department will be evaluating the results, particularly in relation to demand for lots and public acceptance of the project. In that respect, the project is a pilot effort which could be expanded to other major urban areas of the Province as the need may arise.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER (Russell): The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, I want to respond to that short and sensible ministerial statement, in comparison with the previous one.

MR. WARREN: Hear, hear.

MR. CALLAN: Mr. Speaker, the minister just finished saying that the number of applications has increased by 300 per cent and I believe that is true. Because even though the efficiency, I think, has improved considerably in the Division of Crown Lands over the last several years, even though it has improved considerably over the last several years, you know, there is still, I think, some upgrading there to be done. Because it was only yesterday that I checked on a Crown Land application, on behalf of a town council, that had been sent a month ago. Apparently it was sitting on somebody's desk without moving for nearly a month, you know, and when I checked on it, of course, the proper documentation was sent out. I would say that

MR. CALLAN: for us on this side, at least, that checking on applications for Crown land and so on is among the largest - not the largest, but it is a large number of the calls that we receive, from especially the rural areas of this Province.

Regarding the cottage lots, Mr. Speaker, out around Peak pond, the area that I am quite familiar with, it is right back of my own home town, I am not sure if it is the best system to be used or not, this draw system. It seems to me that, you know, for example, if I wanted to get a cottage lot on the Peak Pond I would prefer to have some of my friends next door rather than somebody from St. John's or somewhere else that I do not know.

MR. BARRETT: Do not be so (inaudible).

MR. CALLAN: I probably will not get a chance to get a lot anyway because the St. John's people, like the member for St. John's West (Mr. Barrett), will have them all taken up by pork barrelling and everything else before we get a chance. But, Mr. Speaker, that is the only response I want to make.

MR. YOUNG: Sit down.

MR. CALLAN: I will sit down now, Mr. Speaker, at the request of the Minister of Public Works (Mr. Young) who owns the chairs and the desks and so on, yes.

MR. WARREN: Oh, oh!

ORAL QUESTIONS

MR. SPEAKER (Russell): The hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, in the absence of the Premier who is a rather infrequent visitor to this House, spends a half an hour or so here now on a daily basis, I

MR. NEARY:

am forced to direct my question to the hon. Minister of Energy (Mr. Marshall). Mr. Speaker, we have not heard too much about the Lower Churchill Falls Development of late, and I am wondering, Mr. Speaker, if the administration still intends to pursue the development of the Lower Churchill, or is the project in a state of limbo for an indefinite period, Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, we still very much intend to pursue the development of the Lower Churchill. Before the Lower Churchill can be developed, Mr. Speaker, there has to be the ability to be able to market the power that will be generated there. Now this involves a power corridor. There also has to be the capacity to finance the project, but I assure the hon. member that we are working on it, and we are working on it assiduously.

MR. NEARY: A supplementary, Mr. Speaker.

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

MR. NEARY: Well, Mr. Speaker, one of the obstacles in the way of the development of the Lower Churchill is about to be removed. As hon. members know there is a bill that has gone through second reading, when the matter was debated in principle in the House of Commons, to force the Province of Quebec to give Newfoundland a power corridor across the Province of Quebec. And as soon as that bill is signed, and becomes the law of Canada, which should be very soon, then that obstacle will be removed. So then will the hon. gentleman tell us now what plans this government are making in anticipation of the Power Corridor Act becoming the law of Canada in the foreseeable future? When it becomes law, which should be pretty soon, are we ready to roll then with the development of the Lower Churchill?

MR. SPAKER (Russell): The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, when this law is enacted and we see that there is great pressure being brought to bear for the purpose of modifying it or holding it back and we have to wait to see whether it is enacted first, and we certainly anticipate - we not only anticipate we demand that it be put through to give us equal rights as Canadians. Now when that is done that is going to give us the right to make an application to the National Energy Board of Canada, which we are in the process of preparing now in anticipation of the bill going through. At that point in time we will then proceed to make our application, when, as I say, the bill is through. But I think that people should understand - the people of the Province should understand as well, that it is not completely through then. Because under the bill that is here and I read subsection 39 (2) because I happen to have a copy of it, "The board may," it says, "with the approval of the Governor in Council, make regulations concerning the design, construction, operation and abandonment of a pipeline and providing for the

MR. MARSHALL:

protection of property and the environment and the safety, etc. The same thing applies with respect to the transmission lines. So really, we have to make an application to the National Energy Board and then that application will have to be approved by the federal Cabinet, or the findings of it.

Now, when you come down to matters of environmental protection, legitimate environmental protection, obviously the Province of Quebec has the right, as well as any other province, to voice these. But we would certainly hope that our efforts to have a line are not going to be thwarted, even after the legislation is in place, by spurious questions raised both at the National Energy Board and within the federal Cabinet with respect to these matters of environmental design and design in the course of the line itself. Because obviously, this is an area, as we all know, where under the guise of legitimate concern, the will of the people of this Province can be thwarted. But, as I say, we will meet that situation as it occurs. The present course is, when this bill is enacted - in answer to the hon. gentleman's question - we will be making an application to the National Energy Board and, of course, that application will have to be considered by the board and also by the federal Cabinet.

We are ready to pursue on but with what speed is going to depend, Mr. Speaker, on the co-operation that we receive from the federal organs of government and their various boards. We trust that the co-operation will be reasonable.

MR. NEARY: Mr. Speaker, a supplementary.

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

MR. NEARY: The hon. gentleman cannot
answer a question sensibly without squirting his
venom at Ottawa, his poison at Ottawa again.

Mr. Speaker, let me ask the
hon. gentleman this: Is the administration now in a
position to make an application to the

MR. NEARY:

National Energy Board. Is the first step to discuss this matter with the province of Quebec and then, at the same time, simultaneously negotiate with the people who are going to buy the power? And these two rounds of negotiations could take months and possibly years. Could the hon. gentleman tell us if all the data and all the information is gathered so that the government, once the power corridor becomes the law of Canada, that this administration here will be ready to move quickly? Or is it going to take several years before we get around to doing anything with the Lower Churchill?

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

MR. MARSHALL: The answer to it is, yes. The government is preparing and will be prepared to move very quickly with its application to the National Energy Board. It is being worked on right now and it has been worked on for several months.

MR. NEARY: Mr. Speaker.

MR. SPEAKER: A final supplementary. The hon. Leader of the Opposition.

MR. NEARY: Could the hon. gentleman tell the House how much of the power to be generated on the Lower Churchill and the Muskrat Falls will be for export, and how much will be kept in Newfoundland and Labrador?

MR. SPEAKER: Hon. President of the Council.

MR. MARSHALL: Mr. Speaker, we will use as much as we need. For a certain period of time there will be surplus power and that is why it has been difficult to develop the Lower Churchill, because we cannot use all of its output at the present time for our own purposes. But suffice it to say the portion that we will be prepared to sell we will be selling on short-term contracts with escalation clauses on them so that future people in this

MR. MARSHALL: Province and their children will not be deprived of their rightful heritage to their resources.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: A final supplementary, Mr. Speaker.

MR. SPEAKER (Russell): The hon. Leader of the Opposition.

MR. NEARY: I have a number of supplementaries I want to ask the hon. gentleman but some of my colleagues want to ask other questions on other matters.

I want to ask the hon. gentleman to give us an updating on the cost of the construction, the cost of developing the Lower Churchill power and the power on the Muskrat Falls? The last figure we had, I believe, was in the vicinity of \$3 billion and that was a couple or three years ago, and with the escalation in the cost and inflation and so forth and the interest rates, could the hon. gentleman now give us a ballpark figure of what it will cost to develop these two sources of electricity?

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

MR. MARSHALL: Mr. Speaker, in the vicinity of the amount that was indicated two or three years ago plus the amount of allowance for inflation and increased interest costs.

MR. LUSH: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for
Terra Noya.

MR. LUSH: Mr. Speaker, I have a question for the Minister of Labour and Manpower (Mr. Dinn). I want to pursue some questions that I pursued this morning in Committee. However, to give some background to hon. members who might not be familiar with the subject matter, and possibly members of the press, I want to probably just ask a few questions that I asked the minister this morning just to get started.

The questions are relating to the Dust Study Committee or the committee to study the levels of dust in Labrador West some months ago. And just to get the thing started I wonder if the minister could explain to the hon. members how this Committee was structured? And when its study will be completed? And how much it will cost?

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

MR. DINN: Mr. Speaker, the dust study in Western Labrador was started approximately September 1979. It was not started in September but negotiations started in September of 1979. In September 1980, I believe, the team was in place. An estimate of cost at that time was determined. Before the study got underway we got tentative approval from the unions in Western Labrador and the companies in Western Labrador to set up a tripartite committee of labour, management, and government.

AN HON. MEMBER: Three parts to that are managed.

MR. DINN: That is what 'Tri' basically comes down to.

The three parties involved basically agreed that the unions would participate financially, on the basis of a nominal fee, because it was going to be a fairly costly operation, and the companies and the government would come in on the remainder of the cost. And by government we had

MR. DINN: determined that the Workers' Compensation Board, who have funds for the purposes of studies etc. into occupational health and safety investigations, would provide the government's share, whatever that was determined by formula.

So we have discussed that, the tripartite committee. The study was put in place. We had a huge team of experts, probably one of the best groups -

SOME HON. MEMBERS: Hear, hear!

MR. DINN: -of experts ever gotten together for a study of this nature. The study is complete. It concluded about the end of May but it has not been compiled nor has the report been forwarded to government. The report is due - the last estimate of the report was that the report would be due to government or in my hands by about the middle of July. The cost estimates are about the same as they had started out to be, about \$2.4 million.

Since that point in time and I realize I am taking up a lot of time of the Question Period, -

MR. DOYLE: That is okay.

MR. LUSH: He is very (inaudible).

MR. DINN: It is a fairly important subject. Since that point in time the Workers' Compensation

MR. J. DINN: Board have paid for the cost of the study. We have talked to the unions, By the nominal fee we meant, at the time, about \$10,000 per local, but we have whittled that down to about \$5,000 per local and we cannot get an agreement from the international people with the Steel Workers' Union to pay their \$5,000 share. So, we are still negotiating that but we have not gotten much of an agreement there. The Iron Ore Company of Canada itself has sent in approximately \$250,000 and indicate that when the formula is finalized and when the details are finalized that they will participate as generously as they can. And, you know, I think it should be noted and I think the government should thank them for coming to the table and negotiating in that spirit.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: Wabush Mines itself has refused to participate financially to this point in time. I think the big point that they make is that they understood that the unions would participate because they have full participation on the tripartite committee and that tripartite committee had basically controlled what was to be studied in the seven point program. They feel that the unions should participate, even though it is only a nominal figure. So up to this point in time they have indicated -

MR. S. NEARY: (Inaudible) flaunting the rules now.

MR. DINN: Well, Mr. Speaker, if the hon. the Leader of the Opposition (Mr. S. Neary) does not want the answer, then I can sit down.

MR. N. DOYLE: Good answer.

MR. DINN: And maybe the hon. the member for Terra Nova (Mr. T. Lush) does want the answer.

MR. SIMMS: Right on.

MR. T. LUSH: Mr. Speaker.

June 3, 1982

Tape No. 883

MJ - 2

MR. SPEAKER (Russell):

The hon. the member for Terra

Nova.

MR. T. LUSH:

Well, Mr. Speaker, I am shocked and -

MR. S. NEARY:

Dismayed.

MR. LUSH:

-dismayed to hear that news,

as I was this morning in Committee, that the Wabush Company has refused to pay any money to this point in time. Now the question to the minister is, was there any agreement - when this Committee was set up, was any agreement on the formula then, at that point in time, as to how much each group would be required to pay?

MR. SPEAKER:

The hon. the Minister of Labour

and Manpower.

MR. J. DINN:

Mr. Speaker, what the hon. member

would know and should know is that at the time no agreement was struck for one basic reason and that is that the two people that were involved - I think that the health and safety of the people in Western Labrador is very important and that the study should have started when it did. It started sixteen years too late.

MR. S. NEARY:

(Inaudible).

MR. DINN:

If the hon. the Leader of the

Opposition (Mr. S. Neary) had been concerned when the mines were started in Western Labrador, or if the previous, previous, previous administration had been concerned they would not have the dust problems they have down there now, Mr. Speaker.

SOME HON. MEMBERS:

Right, on!

SOME HON. MEMBERS:

Hear, hear!

MR. DINN:

And I would appreciate being

able to answer the question without interruptions from the hon. the Leader of the Opposition, the in-House Leader.

MR. NEARY:

Okay Bugs Bunny.

June 3, 1982

Tape No. 883

MJ - 3

MR. J. DINN: Mr. Speaker, there was no agreement at the time as to who would participate in the funding. I think the hon. member may be shocked, he was shocked this morning and he is still in a state of shock, I do not think he should necessarily be too concerned, because basically what is going to happen is the Workers' Compensation Board will pay for this study and the mining companies will

MR. DINN:

pay for it through the backdoor by assessment. So they will pay for the study one way or another. I was hoping that we would get co-operation and we have from the Iron Ore Company of Canada. And we hope to get co-operation from Wabush Mines, but they will pay for it either by assessment through the Workers' Compensation Board, or they will pay for it up front. I would have hoped that because this is a specific study and it is isolated to two companies in Western Labrador, that those two companies would pay for or assist to pay for that study up front. Now if they do not pay for the study they will pay for it through assessment. So I do not think the hon. member should get overly concerned or go into a state of shock. There is treatment for that, but I can assure the hon. member that the companies will pay for the study. I congratulate the Iron Ore Company of Canada for coming forward and I hope that Wabush Mines will, over a period of time, come forward and pay for their share of the study. And, of course, the important thing is the health and safety of the people in Western Labrador. The study will be in, for the hon. member's benefit, it will be in by mid-July and I hope that it will outline not only the problems but the answers to some of the problems so we can get on with fixing up the dust problem in Western Labrador.

SOME HON. MEMBERS:

Hear, hear.

MR. LUSH:

Final supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

Final supplementary, the hon.

member for Terra Nova.

MR. LUSH:

Mr. Speaker, I do not understand this assessment bit. The minister says that he would prefer that the company pay up front. Well, if that is what the hon. minister prefers, that they pay up front, and I suggest

MR. LUSH: that is the only way he is going to get his money is if that company pays up front, so can the minister indicate what steps he has taken or what steps he plans to take to ensure that that company pays up front?

MR. NEARY: Right on.

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

MR. DINN: Mr. Speaker, obviously the hon. member is in a state of shock and does not understand, I guess it is because of his state of shock. But the fact of the matter is, that the Workers' Compensation Board - there is no money going from government to support the Workers' Compensation Board, I mean, it is not a matter of government paying the Workers' Compensation Board to pay compensation to workers in the Province. What happens is that assessments - companies are assessed in the Province and they pay into the Workers' Compensation Board and with those funds the Workers' Compensation Board do

MR. DINN:

certain things. They pay out compensation, they do studies. They started a study, for example, in Baie Verte, and because the mine temporarily closed down, the study was deferred. That study is funded 100 per cent by the Workers' Compensation Board and, of course, that study will be paid for by the board and, as a result, be paid for by companies in the Province. It will not be paid for by government. So I do not know where the hon. member would have difficulty in understanding that. Hon. members know that the Workers' Compensation Board is self-supporting. They collect money through assessment and they pay out money through compensation and in other ways.

MR. NEARY:

That is (inaudible).

MR. DINN:

Well, I will give it to the hon. the Leader of the Opposition, if he wants, in baby talk, but most other hon. members understand.

MR. CALLAN:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, I was going to ask the Minister of Social Services (Mr. Hickey) or the Minister of Health (Mr. House) a question. Neither one of them is here, so let me ask the Minister of Transportation (Mr. Dawe), at what point will the Minister of Transportation be in a position to table the annual roads programme list, as has been done in the past couple of years? I notice, for example, that over the past several weeks there have been a lot of tender calls in various newspapers.

MR. CALLAN: When will the minister be in a position to table the complete list showing the road allocation per district as per at least the previous past three years?

MR. SPEAKER (Russell): The hon. the Minister of Transportation.

MR. DAWE: Mr. Speaker, I am very proud of the fact that this year we were able through pre-tendering in the transportation sector to let a lot of contractors start to work early.

SOME HON. MEMBERS: Hear, hear!

MR. DAWE: As has been done in the past, Mr. Speaker, as soon as the final allocation of funds and the determination of where they will be spent has been decided upon, there will be a list made and presented to this hon. House.

SOME HON. MEMBERS: Hear, hear!

MR. CALLAN: A supplementary, Mr. Speaker.

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

MR. CALLAN: Mr. Speaker, pending the arrival of that list which will pretend to do one thing and obviously do another, could I ask the minister

MR. CALLAN:

then if it is possible for individual members, elected members of this House of Assembly to find out through conversation, telephone or whatever, whether or not there will be any funds expended in their districts this year, while we await the list on paper?

MR. NEARY:

Dream on my colleague.

MR. SPEAKER (Russell):

The hon. Minister of Transportation.

MR. DAWE:

Mr. Speaker, from time to time hon. members of this House come in and present their concerns and we talk about various projects in their districts and whether, in fact, the funding will be forthcoming. It is very difficult sometimes, but the matter of a phone call, to find out exactly where the funds are going to be expended. I will certainly welcome an opportunity to speak with the hon. gentleman about any concerns he has in his district, as I have with a number of other hon. gentlemen and ladies in this House.

MR. CALLAN:

Where is your office?

MR. DAWE:

Well, now, Mr. Speaker, there you go now -

MR. SIMMS:

He has only been down there four years, they would not know.

MR. DAWE:

- the hon. gentleman does not even know where the office is.

MR. SPEAKER:

Order, please!

MR. DAWE:

So I doubt very much if I can help with some of his other concerns.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. Leader of the Opposition.

MR. NEARY: The trouble is the hon. gentleman has two offices at taxpayers' expense, Mr. Speaker, and we do not know which one he is using. I would like to ask the hon. gentleman, he just reminded me there when he said hon. members should approach his department - will the people in Grand Bay West who have been approaching the hon. gentleman's department now for seven years, seven years religiously and faithfully they have sent -

MR. CALLAN: I spent seventeen.

MR. NEARY: - petitions, telegrams, I have written the minister every year, sometimes twice a year, three times a year for seven years about the three mile stretch of road leading from the Trans-Canada Highway to Grand Bay West.

MR. MORGAN: Of Provincial-wide urgency is the question, of Province-wide urgency.

MR. NEARY: Now, Mr. Speaker, this promise was made in 1975 by the Tories, in the election campaign in 1975, and nothing has been done with that road. They have not carried out that promise that was made back in 1975. Would the hon. gentleman indicate if there will be any paving done on the road to Grand Bay West in this current fiscal year?

MR. SPEAKER: The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, I have already answered that question. I indicated that as soon as the final list of projects have been determined a list will be made up and presented to this hon. House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, my question is to the Minister of Transportation (Mr. Dawe) also. Yesterday

MR. WARREN: I asked the minister a question concerning the shortage of food along the Labrador Coast. In listening to CBC radio this morning, I understand the minister is waiting for word back from EMO. Has the minister received a report back from EMO? And is the situation in Black Tickle and Port Hope Simpson rectified?

MR. SPEAKER (Russell): The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, my department received a phone call the day before yesterday, late in the afternoon, and as is the usual case with these requests, it is referred to Emergency Measures. It was determined that there was a possible emergency and this was done. In the meantime, Mr. Speaker, through the good graces of the Minister of Rural, Agriculture, and Northern Development (Mr. Goudie), his department had already been apprized of the situation, action had been taken, and it is my understanding that food supplies were supplied six o'clock yesterday afternoon.

SOME HON. MEMBERS: Hear, hear!

MR. WARREN: A supplementary.

MR. SPEAKER (Russell): A supplementary. The hon. member for Torngat Mountains.

MR. SIMMS: Just in time for supper.

MR. WARREN: Mr. Speaker, this government is noted for band aid treatment. I understand there were some 700 pounds of freight taken into Black Tickle, enough for just yesterday evening. In fact today they are still out of milk so, Mr. Speaker, I am asking the minister now is he going to continue with band aid treatment or is he going to consider this an emergency? Is he going to consider making arrangements through his department, with two helicopters and aircraft in Goose Bay at the taxpayer's expense, to move some freight into Black Tickle and Port Hope Simpson where the people are in need at the present time?

MR. SPEAKER: The hon. Minister of Transportation.

MR. DAWE: Mr. Speaker, there is a programme in place. This government through my department has been subsidizing the supply of food supplies to the coastal Labrador communities to the extent of about, I think, \$60,000 in the past fiscal year to supplement the cost of shipping in food. This programme is ongoing and is available. The request for assistance has to come from the suppliers and the various community interest groups which has been done in this case, and it will be assessed on an individual basis. If there is a need, Mr. Speaker, based on the assessment of government departments that are doing it and we can assist, we certainly will. But the fact that it is a band aid treatment, I think, is a little misnomer. We have been assisting with the subsidy associated with supplying food supplies to those communities for a long period of time and will continue to do do.

MR. SIMMS: Hear, hear!

MR. WARREN: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Torngat Mountains, a final supplementary.

MR. WARREN: Mr. Speaker, my final supplementary. Just for preamble, Mr. Speaker, to the Minister of Rural Agricultural and Northern Development (Mr. Goudie) who knew of the situation on May 25th and it was only just yesterday at two o'clock that his department acted, and it was only by a response from Black Tickle and through this Opposition in the House that they finally got action. Now, Mr. Speaker, my question to the minister is that for twenty-one days the two businessmen in that community - the two businessmen have had freight in St. Anthony but due to the fact of break-up where there is no aircraft available on floats to land in Black Tickle, and due to the fact that the minister does have two helicopters stationed in Goose Bay, surely goodness the minister should consider this an necessity and make the arrangements to get this freight in St. Anthony transferred to Black Tickle for the sake of the people in that community.

MR. SPEAKER: The hon. Minister of Transportation.

MR. DAWE: The only thing I find difficult about the questioning, I suppose, Mr. Speaker, is the fact that it is not being asked by the member responsible for that particular community but I understand he is not -

AN HON. MEMBER: Now that is not fair.

MR. HEARY: He is in New York. He is away on business.

MR. DAWE: Yes - so I understand.
Mr. Speaker, there are programmes, there are procedures, in place that have been met in this particular situation as have been met in other similar situations in past years -

MR. RIDEOUT: He is going to try to raise a \$100 million bond while he is sitting down there.

MR. DAWE: and this government will continue to honour its obligation to the people of coastal Labrador by providing assistance and emergency service when and if deemed necessary.

AN HON. MEMBER: Good answer. Good minister.

MR. CALLAN: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, the Minister of Social Services (Mr. Hickey) is still not in the House perhaps I can ask the Government House Leader (Mr. Marshall) would he confirm or deny that approximately a year ago an order went out from the Department of Social Services to the effect that girls under the age of eighteen living with their parents and not on social assistance would not be helped through the Department of Social Services - pregnant girls under the age of eighteen? Is that true or false?

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

MR. MARSHALL: Mr. Speaker, the answer to that is no. I can neither confirm or deny that. The hon. the Minister of Social Services is obviously - I know he is on very important business because he had to go out and make a telephone call. We will certainly take notice of that question and bring it to the attention of the hon. minister and I know he will be happy to answer it when he comes back into the House.

MR. CALLAN: Supplementary then, Mr. Speaker.

MR. SPEAKER (Russell): Supplementary, the hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, perhaps in the way of a supplementary then the minister can also take note of the situation that is existing now, that apparently there are people who are on or were being looked after by Social Services, prior to this directive from the Department of Social Services even though they may be sixteen or seventeen, and are still being helped. In other words, they are not considered guardians because they were under the care of Social Services before the directive went out but anybody coming on new cannot get any help. Perhaps the Government House Leader (Mr. Marshall) can also ask the minister to explain this discrepancy. You know, if you are considered a guardian of your parents under the age of eighteen, are you or are you not?

MR. CALLAN:

How can you treat two different situations -
or the same situation completely different?

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

MR. MARSHALL: Mr. Speaker, again I say,
I take notice of it but I just caution the House,
I do not necessarily say - the hon. gentleman has asked
a question which may or may not be true. It constitutes
also a statement. The only thing I will say to the
House is that I will certainly take notice of it but
we shall not take the questions "statements" of the
hon. member as being the gospel. They may be the
gospel but we will have to look into it and we will
respond accordingly.

MR. CALLAN: Mr. Speaker, I give notice
that I am dissatisfied with the answer. I wish to
debate it on the Late Show later this afternoon.

MR. LUSH: Mr. Speaker.

MR. SPEAKER: The hon. the member for
Terra Nova.

MR. LUSH: Mr. Speaker, taking my
lead from the statement made by the Minister of Fisheries
(Mr. Morgan) today where because in certain communities
that the federal government did not assist the fish
plants and went on to conclude that the government
must be considering that these people are not good
Canadians - taking my lead from there, I want to
ask the Minister of Transportation (Mr. Dawe) with
whom I have been struggling for the past while to
get roads paved in my district, and indeed for the
past seven years with other ministers to get roads
paved in my district, I wonder what time the minister

MR. LUSH: is going to announce projects for the Terra Nova district to let the people there know that they are good Newfoundlanders and that the minister recognizes their contribution to the economy of this Province?

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): The hon. the Minister of Transportation.

MR. DAWE: Mr. Speaker, the constituents in Terra Nova district do not need me or anyone else to tell them that they are good citizens, they already know that themselves. And I am sure they do not need the help of the hon. member to bring that point forward. I have already answered the question, Mr. Speaker, and indicated that when the lists are ready they will be presented to the hon. House.

SOME HON. MEMBERS: Hear, hear!

MR. CALLAN: When? How soon? Tomorrow by leave:

MR. LUSH: A supplementary, Mr. Speaker.

MR. SPEAKER: The hon. the member for Terra Nova, a supplementary.

MR. LUSH: Mr. Speaker, the minister says 'when the list is ready'. I am reading in the papers now about certain tender calls and this sort of thing, so the list must be ready. Can the minister indicate what is going on? Is the list partially ready? Can he bring us in a partial list or is he going to wait until all the monies are gone?

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

MR. DAWE: Mr. Speaker, since about a couple of months ago now, when the Premier announced the pre-tendering of a number of highroad construction programmes, as well as construction in other departments,

MR. DAWE: in Housing and Municipal Affairs, we have been going ahead with some projects that have been prepared through engineering studies and estimates and so on, and we have been continuing with this programme, much to the pleasure of the construction industry which has been helped this way and to the people who are employed subsequently by the companies. And we are continuing to do this. When I indicated that a list is being prepared, there is, of course, as always, some funding available that has not already been committed through this pre-tendering process, and when that complete list is ready, both the projects that are ongoing now and are being tendered, and the final list, the ones that are not already earmarked and iron clad, then we will be presenting the full list to this hon. House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): Order, please! The time for the Question Period has expired.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. SPEAKER: The hon. Minister of Public Works.

MR. YOUNG: Mr. Speaker, I would like to table the Report of the C.A. Pippy Park Commission and in doing so I would like to commend the Chairman and the other members of the Committee for the splendid work they are doing.

SOME HON. MEMBERS: Hear, hear!

MR. YOUNG: A good park.

ORDERS OF THE DAY:

MR. SPEAKER: Order number two, Committee of Supply.

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

MR. CHAIRMAN (Aylward): Order, please!

Head I - Consolidated Funds.

Now I wish to bring to everyone's attention before we get started that all of these heads and sub-heads under this Consolidated Funds are statutory except for 105-02 which is non-statutory, which will be the only one actually voted on.

The hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, Consolidated Fund Services - this particular head is concerned mainly with servicing the public debt and also concerned with the retirement situation, employee retirement arrangements.

I might just read the note for the benefit of hon. members of Committee as to this particular head.

DR. COLLINS: Expenditures related to the provincial debt are provided, the major portion of which is related to interest payments on outstanding debenture debt, treasury bills, Canada Pension Plan loans, and various loans from the Government of Canada. The expenses of borrowing additional funds, banking and agent fees are also included. In addition debt payments on various government buildings inclusive of interest and principle payments on the debt of the Crown building corporations are made.

These expenditures are offset in part by interest payments on the temporary investment of surplus funds and various loans made by government, and, as I say, also employee retirement arrangements.

DR. J. COLLINS:

Funding is provided for the operation of the pension fund for all public servants as well as ex gratia payments and pensions created by special acts of the House of Assembly. It also provides for payments for the Province's pension contributions related to public servants, teachers, uniformed services, and members of the House of Assembly to the Newfoundland pool pension fund. Payment of certain other retirement arrangements as well as government's ex gratia payments are provided from these funds as well. All amounts are statutory except for ex gratia payments. So, Mr. Chairman, as you pointed out most of the subheads under this head are statutory but, of course, that does not prevent in any way hon. members of the Committee from commenting on or asking questions about any head whatsoever.

I might just make a few preliminary remarks, Mr. Chairman. The amount in CSF this year is just over \$251 million, which is a 7 per cent increase over the revised figure for last year. Now there were some variances between what was actually budgeted for last year and the actual revised amount so, perhaps I could just comment very briefly on those, just the major ones.

The first major variance was for treasury bill interest payments and those were up by \$1.5 million over the budgeted amount. That was because of higher interest rates paid for those particular borrowings, the average rate there being about 15.4 per cent. We have outstanding at any one time \$65 million in treasury bills and, of course, these are rolled over on a very frequent basis. We offer treasury bills every week.

The next one, where there was an appreciable variance was on the temporary investment revenue;

DR. J. COLLINS: this is where government will get revenue from the investment of surplus funds. And there was a lesser amount than budgeted there in the revised estimates of just about \$7.5 million. That was due almost totally to the fact that the borrowing programme last year was delayed because of the awkward market conditions. And, as a matter of fact, we did not do our first borrowing until October of last year. This meant that there were, for long periods of time, a lesser amount of surplus funds available for reinvestment than we had anticipated.

SOME HON. MEMBERS: Oh, oh!

DR. COLLINS: Mr. Chairman, I do not wish to interrupt my hon. colleagues behind there, but -

MR. CHAIRMAN (AYLWARD): Order, please!

DR. COLLINS: The next major amount was the revenue received from loans and advances. There was a variance there, a negative variance, we received less than was budgeted of \$2.5 million and that due to revenues that we did not receive at the expected time from Newfoundland and Labrador Housing Corporation and from the NIDC, Newfoundland Industrial Development Corporation. There were certain delays in those, and those funds were not received in 1981 - '82, they will be received in 1982 - '83.

DR. COLLINS: So there was an unexpected delay there. The final major variance between the revised 1981-82 and the budgeted 1981-82 were contributions to the pension fund.

There was an increased amount there of about \$1 million and that was just related to the extra amounts that needed to be put in to match the contributions made by a very large group of employees, that is the teachers, and also there was a certain deficit that had to be made up in terms of the uniformed services - policemen, firemen, warders and so on.

Mr. Chairman, perhaps I could just comment briefly for the benefit of the committee on the major differences between the Budget for 1982-83, that is the new Budget now and the revised figures for '81 and '82. There is a lesser amount this year budgeted for treasury bill interest of \$1.5 million, compared to the revised figures for last year, and that is because this year we actually are anticipating that we will be paying lower interest rates with regards to treasury bills than we did last year.

Debentures, on the other hand, debenture interest is up by \$28 million. That is a reflection of our new borrowings for last year. They of course, now have to be serviced in terms of interest this year and also the fact that some old borrowings are redeemed and, of course, they are rolled over and replaced by new borrowings and the new borrowings are at a higher interest rate.

The same applies to a considerable extent in regard to borrowings from the Canada Pension Fund. There will be increased interest this year of \$8.7 million over what was paid out for that particular subhead last year, and that reflects the fact that we borrowed an additional amount of \$53 million as part of our borrowing programme from that fund in 1981-82.

DR. COLLINS: In regard to revenue, the temporary investments, we are projecting that we will get an additional \$15 million this year compared to the amount that was in the revised figures for last year because we do expect that we will begin our borrowing programme at an earlier date. And also we do have larger opening cash balances that will be available for temporary investments this year than we had last year. So we will be up by \$15 million there. Also on recoveries of loans and advances that will be up by \$5 million, we anticipate. That is due to the fact that the contract for the Fishery Products' trawlers, the two trawlers being built or have been built at Marystown, repayments will start on those this year so there will be returns to the Province on that. And as I have already mentioned, we will be getting this year, payments from the Housing Corporation and NIDC that we had expected to get last year but they did not come in at that time, but they will be coming in this year.

Another variance from last year of about \$1 million is on debt management discounts and commissions.

DR. COLLINS:

That is purely related to two factors really, that is there was a more adverse exchange rate on the US dollar compared to the Canadian dollar, so that will cost us somewhat, and also this year we have been informed we will not be able to borrow from the Alberta Heritage Trust Fund, and that was quite advantageous to us in terms of discounts and commissions. It was quite a cheap form of borrowing from that point of view and now, of course, with that not being available to us, we will have to borrow in the marketplace and there will be those additional costs in commissions and discounts.

And finally, Mr. Chairman, the contribution to the pension fund will be up by \$1.7 million this year compared to last year, and again we match the contributions put in by employees and, of course, their contributions are related to salary levels, as well as to numbers of employees we have. And there will be a greater amount from contributions of employees and that is what we have to match and, as I say, will cost us an extra \$1.7 million.

Mr. Chairman, I do have notes on many other points here that hon. Committee members may wish to enquire into. Those are, shall we say, major changes both in the revised figures from the budgeted figures and between the budgeted figures this year and the revised figures of last year that I just wished to bring to hon. members attention.

MR. NEARY:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

The hon. Leader of the Opposition.

MR. NEARY:

We just heard the ramblings of a doddling, toddling old Minister of Finance. Mr. Chairman, I would have hoped that the hon. gentleman would have taken advantage of the ten minutes that he just used to spell out in detail the financial condition of this Province at the present time.

MR. RIDEOUT:

It is spelled out.

MR. NEARY: Mr. Speaker, it is not spelled out because the Minister of Finance (Dr. Collins) has cleverly cooked the books. Mr. Speaker, somebody in the Finance Department is cooking the books and I will show this hon. House before we are finished with the debate -

MR. BARRETT: Name them. Name them.

MR. NEARY: - how they cook the books.
Mr. Speaker, first of all their budgeting is unrealistic. The budgeting - when they draw up their estimates -

MR. BARRETT: You do not understand them anyway.

MR. NEARY: Mr. Chairman, I would ask Mr. Crosbie's

MR. NEARY: representative to keep quiet.

MR. CHAIRMAN (Aylward): Order, please!

MR. NEARY: And if he wants to say something he has to say it from his seat. I am talking about a very serious matter. We are talking about the financial debt, the financial condition of this Province.

Mr. Chairman, the debt is \$3.3 billion. In 1972 when the government changed the total direct and indirect debt of this Province was around \$700 million - in 1972. Ten years later in 1982 the debt is \$3.3 billion and not a single thing to show for it.

In other words, Mr. Chairman, the public debt has more than tripled in ten years under a Tory regime in this Province. And I would suspect, Mr. Chairman, after I get a chance to examine the estimates in a little more detail, that we are not too far from bankruptcy in this Province. The administration have been driven to desperation. When they have to borrow money from their own sinking fund, Mr. Chairman, that is a sign of desperation on the part of the administration. And they laid on the table of this House a short time ago three legal opinions to hang their hat on for borrowing money from the sinking fund that is put aside to amortize the public debt.

And I looked at these three legal opinions and not one of them, Mr. Chairman, not one of these opinions addressed itself to the seriousness of this situation. One of the legal opinions, which was given by a firm in the United States - I wish I had them with me. I did not know we were going on these matters today or I would have brought my file up - one of the law firms in the United States gave an opinion and said, 'Well if the' - here was the opinion,

MR. NEARY: Mr. Chairman, 'If the Provincial Government of Newfoundland thinks it is right and proper, then that is it, it is right and proper'. That was their opinion. I hope they did not charge for that.

DR. COLLINS: That was not what they said.

MR. NEARY: That was. The minister said it was hot. It was the opinion of that firm in the United States. That was my interpretation of it. And I can read, and I can interpret things just as cleverly as the hon. gentleman. What they said was, 'Okay, you are paying us for an opinion, we will give you the opinion you want to hear'. And obviously the opinion they wanted to hear was that as long as the government wanted to do it, then they figured there was nothing wrong with it. That was their legal opinion.

Mr. Chairman, it is the sign of a desperate administration when they set aside money in a sinking fund to amortize the principal and the interest on money already borrowed and then they have

MR. NEARY: to dig into that sinking fund to borrow that money that they set aside to take care of these emergencies, when they had to borrow the money from the sinking fund, it is a sign of a desperate government, desperate administration, desperate!

DR. COLLINS: You are repeating yourself.

MR. NEARY: Yes I am. I am making sure that some of the little glassy-eyed, shiny-nosed new members understand what kind of an administration they are supporting. They are supporting an administration that is on a disaster course as far as the financial management of this Province is concerned.

MR. MORGAN: Tell us about that meeting you had last weekend in Gander.

MR. NEARY: Mr. Chairman, they have to borrow from their own sinking funds.

MR. MORGAN: I hear Stirling is running again.

MR. NEARY: Well, let us say it is not illegal, Mr. Chairman, let us say it is not illegal. It is certainly unorthodox and improper. And I would like to hear the Minister of Finance's (Dr. Collins) honest opinion as to whether he thinks it is the right thing to do.

MR. WINDSOR: He tabled the answer.

MR. NEARY: What answer?

MR. WINDSOR: He tabled the answer to all that.

MR. NEARY: No. I am asking the hon. gentleman to give me his opinion. Of course I know what he will say, he will get up and say 'Well, we did it so I guess it is all right'. Now let us look at what we are doing here. We are taking money from consolidated revenue, putting it into a sinking fund to take care of money that we already borrowed. As stupid as some hon. gentlemen on the other side look I am sure that that can sink in. They take the money from

MR. NEARY: consolidated revenue, put it in a sinking fund so that they can pay off the interest and the principal on money already borrowed - now that is simple enough, is it not? - and then they turn around and borrow the money back from the sinking fund. A sign of a desperate government, Mr. Chairman. And I would hope that it will not continue, It has to stop! It has to cease! If the people who loan us money in the money markets of the world, whether they be in Europe or in the United States, if they hear that we borrow from our own sinking fund, I would say they are going to look at the matter rather askance. They will be afraid to do business with this government. And, Mr. Chairmen, another example of how this administration is cooking the books:

MR. NEARY:

Last year they told us there was a deficit in current account of \$60 million, halfway through the financial year. And before the financial year ended they were in the House boasting of a surplus.

Mr. Chairman, it is unclear to me, as I am sure it must be to all hon. gentlemen, how they managed to cook the books to bring it from a \$60 million deficit to a surplus at the end of the financial year when revenue was down substantially. One of the things they are doing, Mr. Chairman, in order to cook the books, they are taking items heretofore previously under current account and putting them under capital account. That is one way they are cooking the books.

Mr. Chairman, there is no way that money paid out for salaries should go under capital account. I went through the estimates, I can show you example after example of where this government has taken items that were considered to be current account items and have now put them under capital because they know they can borrow the money under capital. Reduce your deficit, that is what they are doing, trying to balance the budget.

Let me give the House an example of what I am talking about. NORDCO, it is called grants and subsidies, NORDCO, it is salaries, Mr. Chairman, salaries to NORDCO camouflaged under capital works. It should be in current account where it always was.

Public Works, park development grants and subsidies. Salaries again, Mr. Speaker, included in this amount, \$355,000, a lot of it salaries, shifted from current account to capital account to cook the books, to try to make themselves look good.

MR. CALLAN:

Manipulation.

MR. NEARY:

Yes, manipulation, you are right on.

MR. NEARY: Native people's education grants and subsidies, a lot of it salaries - \$1,692,000 under capital account. And here is one here, on page 129 of the Budget -

DR. COLLINS: Do not get tripped up in your figures now.

MR. NEARY: No. I will not get tripped up in my figures. And the hon. gentleman can try to intimidate us now all he wants. The hon. gentleman is on a sticky wicket. He is on a sticky wicket in the money markets of the world and I hope his prospectuses reflect the true condition of the economy of this Province.

MR. BARRETT: You would like to see us bankrupt?

MR. NEARY: No, I would not like to see the Province bankrupt. But I remember, Mr. Chairman, being in this House when the present Minister of Energy (Mr. Marshall), the member for St. John's East said we were bankrupt when we owed \$700 million, direct and indirect debt. The present Minister of Energy made that statement in this House. As well as the present Minister of Social Services (Mr. Hickey), back in 1971, told the House of Assembly and the people of this Province, when we owed \$700 million, that we were bankrupt. Newfoundland was bankrupt. The hon. John C. Crosbie when he was in this House, how many speeches did he make accusing the administration of bankrupting the Province during these years up to 1971? \$700 million, now it is \$3.3 billion, and now the member for St. John's West says we are not bankrupt.

MR. CALLAN: He wants to have his cake and eat it too.

MR. NEARY: That is right.

Newfoundland and Labrador Heritage

MR. NEARY: Foundation, listen to this, here is one here, Debt expenses - \$870,000, debt expenses. How does the hon. gentleman. what kind of an imagination, what kind of convoluted logic must he use when he says the debt expenses is a capital expenditure and not a current account item:

DR. COLLINS: Are you sure you are not looking at the wrong subhead.

MR. NEARY: Pardon?

DR. COLLINS: What heading are you on?

MR. NEARY: It is Consolidated Fund Service.

DR. COLLINS: What subhead?

MR. NEARY: It is on page 4, I think, of the estimates.

And here is another one for Public Works, it is called advance planning. Now what does advance planning involve? It involves hiring a group of people to sit down and do a little advance planning. Where would the capital be involved in that? Is it buying a pencil? Would that be the capital? A pen or a pencil, or the paper, is that the capital? The hon. gentleman is so smart, perhaps he can tell me, the member for St. John's West (Mr. Barrett), advanced planning, what would it involve?

MR. NEARY: What would it involve, advance planning? Would it be a capital item, or would it be a current account item? In my opinion, Mr. Chairman, it is a current account item. And I have here in front of me a list of almost \$36 million, listed as capital account items that really belong to current account.

DR. COLLINS: Name them.

MR. NEARY: I just named them. So, that is another way, Mr. Chairman, it is a very dangerous practise, another way they are cooking the books. And that is almost as serious, by the way, as borrowing from your own sinking fund. And, Mr. Chairman, the third point I want to raise before I take my seat has to do with a remark made by the hon. gentleman before he took his seat, that this year we will not be able to borrow from Alberta's Heritage Fund. I presume the reason we cannot borrow from Alberta's Heritage Fund is because they are beginning to feel the pinch in Alberta, and they want to hang on to their hundreds of millions or billions of dollars that they have. They want to keep it there to take care of a rainy day in Alberta they do not want to take any chances on loaning it to the province of Newfoundland. So that is going to force this administration to borrow in the United States markets.

A lot of our borrowing, as hon. members know, I am sure the member for Burin-Placentia West (Mr. G. Tobin) is aware of this, takes place in the United States markets. Mr. Chairman, the hon. gentleman referred to the cost to the Province everytime a change takes place in the exchange on the American dollar. The United States dollar was up marginally yesterday,

MR. CHAIRMAN (Aylward): Order please. I have to inform the hon. member that his fifteen minutes has elapsed.

MR. NEARY: Yes I know, Sir.

And if I might just finish, Mr. Chairman, my trend of thought, then I would say that that little slide in the Canadian dollar yesterday cost this province \$2 million on every \$100 million that we borrow in the United States markets, and I will have more to say about that, Mr. Chairman, shortly.

MR. CHAIRMAN (Aylward): Before recognizing the hon. minister, I wish to welcome to our galleries forty-one students from Grand Le Pierre in the district of Fortune Hermitage, together with their teacher Mr. Norman Farrell.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN (Aylward): The hon. Minister of Finance.

HON. J. COLLINS: Mr. Chairman, I get a sense of de ja vu when I start off this. The hon. member makes a speech, particularly on what he claims is the bankruptcy of the Province, and he makes it every year. I have been in the house now since 1975, so this means that I have heard this particular speech seven times. It has not changed, I do not think, in terms of one word or certainly one thought, it is the same speech every year, that the Province is on the verge of bankruptcy. We seem every year not to be bankrupt. He starts in 1975 saying that we are on the verge of bankruptcy, seven years later he is still saying it, we are still not over the verge. I do not know what he means by the verge. I always thought it was on the edge, or very near, and about to topple over, but it just does not seem to happen. I would just like to make an aside on that remark, that I have heard all those remarks before. I will not say they are boring - they are irrelevant - because they are expective, what one expects the hon. member to come up with, the same sort of thing. I would be very disappointed if he did not.

HON. J. COLLINS: Now he did bring in one or two new items there, not new in terms that they have not been brought up in this House before. For instance, he brought up the one about the sinking fund. That was brought up by the Auditor General, it was tabled in this House. At the same time we tabled a comment, a departmental comment on it, and the hon. member either did not read the departmental comment or he chose to ignore it and now presents it as a new item. Now just to be sure what the sinking fund is: We borrow money for capital works in this Province, and we borrow within our means, as is shown by the fact that, bondholders pick up our bonds. Now if someone felt we were on the verge of bankruptcy, obviously they would be crazy if they picked up our bonds, because we might not be there ten, fifteen, twenty, twenty five years later when those bonds had to be repaid. So, that is one reflection that we are not on the verge of bankruptcy. Another point to be made here is that we sell our bonds very readily. There is no hesitation on the part of bondholders in buying our bonds. The credit rating agencies in

DR. J. Collins: the United States have not changed our credit rating, they have given us indications that our credit rating is firmer now than it ever was. We would hope, in the not too distant future, that we will get an upgrading.

One of the reasons why we have a low rating now is we do have a rather narrow industrial base, economic base in this Province and this government is trying to expand that base by developing our natural resources and we will succeed in doing so. And when there is evidence that we are expanding our industrial base, we will get an upgrading. As a matter of fact, I expect that we will get an upgrading before that, because the credit rating agencies, our fiscal agents or the people who buy our bonds, and people in the business sector of Canada and United States, continually comment on the fiscal integrity, the financial management of this government. So, I expect on that basis alone that there will be consideration given to the upgrading our credit rating. So, as I say, we borrow money for needy things. People readily give us money for those needy things. We have to put a certain amount of money aside in regard to some borrowings, with which we will later partly redeem those bonds, and that is called a sinking fund. Now, when one puts money in the sinking fund you just do not leave it there, you just do not, say, take part of a \$100 million borrowing, take out of that perhaps \$7 or \$8 million and just let it lie around there you invest it, you re-invest that money. The reason why you do that is because you get a good return on it. If you did not do that you would be financially irresponsible. Now, when you invest the money you have to make sure it is available when you are due to redeem your bonds. It is no point in having a sinking fund if you reinvest the money, your bonds become due but your money is locked into some investment.

DR. J. COLLINS: So, we have to make sure that this money is available to us. Now, in some instances, in a relatively small number of instances we have a commitment that we can see coming up in the near future. We cannot see another bonds, any other investment we might make which would become due at that particular time, perhaps two years down the road, perhaps three, perhaps four or five years down the road. We can usually see investments that will come due perhaps in the medium to long-term, ten years, twelve years, fifteen years, but fairly short-term commitments that are coming up, where we have to have the money available to us, we could just stick it in a bank account and get a relatively low rate of return on it. . . Rather than do that, if we cannot on the open market find bonds that will become due at the time and therefore the money will be readily available to us, we will put it into our own sinking fund. We will allow the Province to borrow and will give provincial bonds dated for that time so that when that particular time comes up, when the money is needed the Province will repay the money to the sinking fund related to those special bonds. A very sensible arrangement.

DR. COLLINS: The response we made to the Auditor General's report was 'That while such transactions have not been and in the future are not intended to be a part of the regular investment programme, of the consolidated sinking fund, not part of the regular investment programme, they are from the sinking fund point of view very useful in carrying out this objective of providing for the orderly redemption of debt issues'. Now the hon. member was answered in a tabled document weeks ago and yet he trots out this old chestnut as though it was something new.

Now, Mr. Chairman, he also made a comment that we seem to have done some underhanded thing or obscure thing when we sought legal advice from our U.S. Counsel. I am not going to read out this whole thing. Again this has been tabled. The hon. member does not read or he chooses to ignore. This is a reply to our debt management division from this Mudge - lawyers have beautiful names there friends - Mudge, Rose, Guthrie and Alexander of 20 Broad Street in New York City. And he starts off, he says, 'You have requested our views'. Now not to what your own people are telling you or what your own Statute is telling you. 'You have requested our views with respect to the legality under any applicable U.S. federal security laws of the purchase by the consolidated sinking fund of the Province's securities issued by the Province or securities issued by a corporation for the repayment of which is guaranteed by the Province'. Now that is what we asked. We asked, 'Are there any complications under U.S. laws for this?'. And then it goes on as lawyers do and it finally ends up, 'This is to confirm to you that there is no legal impediment under the security laws of the United States which would restrict purchase by the consolidated sinking fund of

DR. COLLINS: securities issued or guaranteed by the Province of Newfoundland'.

So, again, the hon. member either does not understand, either does not read or goes off on some tangent, you know, that is completely divorced from the facts of the case and says, 'Here is something the Province is doing that they should not be doing', when in actual fact it has got no relation to the actuality of the case whatever. And that is a prime example.

MR. SIMMS: You are not talking about the member for Terra Nova (Mr. Lush) now?

MR. DAWE: That is not the fellow you are talking about?

DR. COLLINS: Well, you see -

MR. SIMMS: He is usually fairly fiscally responsible and rational.

DR. COLLINS: Yes, the hon. member for Terra Nova would not lead himself into such a trap as that.

MR. SIMMS: That is right. The next Leader of the Opposition.

DR. COLLINS: The hon. Leader of the Opposition (Mr. Neary) then said that there are certain amounts of monies that are current and go into capital account. Again the hon. member either does not understand certain processes or he does not choose to look into them or whatever. We will fund projects which are capital account projects. Now during that period of time, until the project is completed, all expenditures, it does not matter what it is on, all

DR. COLLINS: those expenditures are capitalized. They will go into capital account until such time as the project is completed and at that point in time any ongoing costs that are not strictly capital, that are not strictly there for the building of structures and so on and so forth, be it interest or whatever, that will then go into current account. But until such time as the project itself is completed all expenditures are capitalized.

And this is not unusual, this is common accounting practice. There is nothing strange, weird, or wonderful about this. It has been going on certainly in this Province ever since, presumably, we have been keeping books. It goes on in all activities, all corporate activities, so there is nothing strange, weird, or wonderful about it. I think the hon. member just does not know how these things go and this is why he makes these rather misleading, if not rather stupid remarks.

Now, then, he mentions something about debt expenses being in current. Well, you know, I asked him under what heading and he mentioned where it was. As far as I can see it is the heading 104-02 and debt expenses are there but they are not under capital, they are under current. They are statutory.

MR. BARRETT: That is where they should be.

DR. COLLINS: Perhaps the hon. Leader of the Opposition (Mr. Neary) confuses the meaning of the word statutory with current. 104-02 are debt expenses, they are statutory but they are current account. They are not capital account.

MR. CHAIRMAN (Aylward): Order, please!

DR. COLLINS: Thank you, Mr. Chairman.

MR. LUSH: Mr. Chairman.

MR. BARRETT: A question?

MR. LUSH: Yes.

MR. CHAIRMAN (Aylward): The hon. member for Terra Nova.

MR. LUSH: Mr. Chairman, the Minister of Finance (Dr. Collins) seems to be aggravated by the fact that the Leader of the Opposition (Mr. Neary) who, in my view, gave a great speech this afternoon with respect to the consolidated revenue of this Province and pointed out some clear cases of mismanagement. But, Mr. Chairman, the Minister of Finance (Dr. Collins) discredits the line used by my hon. friend and colleague re the Province on the verge of bankruptcy.

Now, Mr. Chairman, who would not make that statement when, if one recalls the operations of the past governments of this Province, past Oppositions. I recall as a young man, I suppose twenty years ago, twenty years ago hearing members of the Opposition of that day talking about the fact that this Province was on the verge of bankruptcy, talking about the public debt, the huge public debt. So much so, Mr. Speaker, as a young man I remember I became quite worried wondering what my status would be if the Province went bankrupt and day in and day out on the television, in the newspapers, on the radio, that was the cry, that the administration of the day was squandering money and the Province was on the verge of bankruptcy. Well, Mr. Speaker,

MR. LUSH: the public debt at that time, at the origin of these remarks, the public debt at that time did not equal the amount now that it takes to service the public debt. The public debt back in those times, twenty years ago, did not equal the amount that we are now paying to service our public debt. As a matter of fact, I think in 1971 or 1972, when the administration to which I refer was booted out by the people of this Province, our public debt was somewhere, direct and indirect, was somewhere in the vicinity of \$700 million. Today it is \$3.3 billion.

Now, Mr. Chairman, there is nobody in this hon. House, the minister included, who can understand, who can comprehend the enormity, the hugeness of that amount of money, \$3.3 billion. There is nobody - and I do not mean to make any disparaging remarks about the minister and his knowledge of finances. But there is nobody who understands, nobody in this hon. House who understands the enormity and the hugeness of a public debt of \$3.3 billion.

I remember one time doing a study by a certain mathematician or a scientist who liked playing around with figures and he capsulizes time of a million years, he capsulizes it. And it is just fantastic, he did it with a million. It is just fantastic. I cannot quote the details of it now but it would be something like this, capsulizing a million years, that Columbus discovered America at noon sort of thing and that Christ was born fifteen seconds ago, that kind of thing when we capsulize a million years.

So, Mr. Chairman, that demonstrates the enormity and the almost inability of most average people to comprehend was a million is, to say nothing of \$3.3 billion. Mr. Chairman, I am not a person to get excited about the public debt. I am not a person to get excited about \$3 billion, about

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MR. LUSH: public debt or ministers being overpaid or the Premier being the most expensive Premier in Canada. I am not excited by those things provided, Mr. Chairman, that I can see services for these dollars, provided that

MR. LUSH: I can see evidence of the things being put in place for which we have encountered the public debt. Mr. Chairman, the thing that amazes me about the public debt of this Province is that in the last ten years nobody can see any evidence of the monies which the government has been spending. Nobody sees any evidence of it. There was a time when we could see roads being built, hospitals being built, schools being built, vocational schools, all of this sort of thing, all kinds of public buildings. But, Mr. Chairman, today one can count on one hand these kinds of activities, we can count on one hand the schools that are being built. Vocational schools, not even any improvements to the existing facilities. College of Trades and Technology, the fishery college, all of these places crying out for more and expanded facilities, but, the monies just are not coming. But still, Mr. Chairman, the public debt is increasing and services are not increasing accordingly or evidence of public buildings and the like. And that is the disconcerting part about this, that we see a public debt escalating and increasing year by year, but no corresponding improvement with respect to services, public services to the people of this Province. That is the disconcerting part about our public debt. Now, Mr. Chairman, the minister, I think, mentioned somewhere in his preamble, in his brief preamble -

MR. RIDEOUT: Hire a student.

MR. LUSH: - that we were not able to - they will be back again tomorrow.

MR. SIMMS: After this speech by the hon. member they will never return again.

MR. LUSH: I might say in 14 years no student, not one has ever gotten up to walk out while I have been speaking.

MR. LUSH: I just have that technique, Mr. Chairman, and I let them understand that any time they got bored, they could go to sleep as long as they did not snore -

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: and they could walk out. They never went to sleep and they never walked out.

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: Mr. Chairman, I continuously get interrupted, it must be that I must be tearing the hide of the government, I must be. They do not want to hear the truth.

MR. KIDDEOUT: A devastating speech.

MR. LUSH: Devastating speech. But, Mr. Chairman, I was intrigued by the utterings from the Minister of Finance (Dr. Collins) to the

MR. LUSH: effect that we did not borrow from the Heritage Fund this year. Now, I did not get the reason, or if he said it I did not get it. And that is something I find rather interesting why we are not able to borrow from our sister province again this year, hoarding money in that Heritage Fund,

MR. RIDEOUT: The federal people have all of it.

MR. LUSH: and we were able to - I do not expect their broke, and I would like to -

MR. STAGG: The federal government has got it all.

MR. LUSH: Oh the federal government. again. I do not know what control the federal government got over that Heritage Fund.

MR. NEARY: None.

MR. LUSH: Because if they - what?

MR. NEARY: Usually they have enough if they (inaudible).

MR. LUSH: I do not know what control they got over it, but I find it strange that we were not able to get any money from these magnanimous and generous people. So, Mr. Chairman, maybe the minister when he speaks again can clarify that situation and find out why we were not able to borrow from that Heritage Fund.

MR. CHAIRMAN (AYLWARD): Order please. It being 5:00 p.m. I can inform the House that I have received notice of two motions for debate at 5:30 p.m. when a motion for adjournment will be deemed to be before the House.

Notice is given by the hon. member for Torngat Mountains (Mr. Warren), who was not satisfied with the answer given to him by the Minister of Transportation (Mr. R. Dawe) with respect to the shortage of food in Coastal Labrador.

MR. CHAIRMAN (AYLWARD): And notice is given by the hon. member for Bellevue (Mr. Callan) arising out of the question asked the hon. the President of the Council (Mr. Marshall). The subject matter is pregnant women under the age of eighteen whose parents are not being assisted to qualify for assistance from the Department of Social Services.

Order! The hon. member for Terra Nova (Mr. Lush).

MR. LUSH: Mr. Chairman, I would like for the Minister of Finance (Dr. Collins) to further elucidate on that comment from him, why the Province did not borrow from the Heritage Fund, from a sister province? There should be no reason why we should have to go to the international money markets when we have got a sister province that is filthy rich. And it is only right and proper that we should be able to borrow from that fund within reason.

The minister, Mr. Chairman, tries to dismiss the fact that the Province borrowed from the sinking fund. Now, I am sure an awful lot of people throughout

MR. LUSH: the Province do not understand that language and do not understand what would be irregular about it or what would be improper about it, but, Mr. Chairman, the Auditor General of the Province questions that procedure. The Auditor General questions that procedure of borrowing monies from the sinking fund. He is quite concerned about it.

MR. CHAIRMAN (AYLWARD): Order, please!

I have to inform the hon. member that his time has elapsed.

MR. LUSH: Now, Mr. Chairman, I just want -

SOME HON. MEMBERS: By leave! By leave!

MR. LUSH: That is okay.

SOME HON. MEMBERS: No leave! No leave!

MR. LUSH: I do not have leave.

MR. CHAIRMAN: The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, the hon. member asked a number of questions and, you know, it was a pleasure to hear him really. He asked some sensible questions.

SOME HON. MEMBERS: Hear, hear!

DR. COLLINS: Nice, sensible questions.

MR. TOBIN: Run for the leader over there.

MR. RIDEOUT: We will help him out in his leadership campaign.

DR. COLLINS: No cant.

MR. HOUSE: Come on boy. Move up.

SOME HON. MEMBERS: Hear, hear!

DR. COLLINS: There was no cant, no flustering, no sort of going over old ground and so on. He showed that he did not have as much information as he would like. I do not know if he, perhaps, should have a little bit more, because I believe, if I am correct in saying it, he is the financial critic.

MR. SIMMS: And there was light.

DR. COLLINS: No, no. I am sorry. The hon. member for Port au Port (Mr. Hodder) is. I am sorry. I take that back. But in any case he asked specifically and particularly about the debt of the Province, the public debt of the Province. And I think it is quite true to say that we have a high public debt. We hope that we will reduce that public debt within the lifetime perhaps of this Assembly, certainly if not in the lifetime of this Assembly in the lifetime of an Assembly not too much in the future. So we have a high public debt but I think it would be very, very wrong to give the impression that our public debt is either out of control or that it is increasing at a rate that is insupportable. Now, I can say that from a number of points of view.

Firstly, the hon. Leader of the Opposition (Mr. Neary) said that we had a public debt of about \$750 million in 1972. I cannot confirm that figure but I think that is about in the ball park. I accept that figure. He states that at the present time, ten years later, we have a public debt of \$3.3 billion. That again is pretty close to the truth. And he implies that this is a horrendous increase. Mr. Chairman, it is an increase but it is an increase in nominal terms only. If one discounted as one should when you are comparing figures, dollar figures from one era to another era, from one year to another year,

DR. COLLINS: you have to discount your present value figures back to that time to make them in any way comparable. If we did not do that, you know, you could go back, say, to the 1600s or something and say a pound in English money is equivalent to a pound now. Well, we know it is not. We know that a pound at that time was immeasurably more valuable, and if you owed a pound then you owed a fortune, where if you owe a pound now you almost owe nothing. So if you want to make figures comparable you must discount one with the other.

Now, if we discount the public debt now back to 1972 terms, we find that our public debt in 1972 dollars is not \$3.3 billion, it is \$1.3 billion or just a little bit over \$1.3 billion. So that means that our public debt has gone up not from \$750 million 1972 dollars up to \$3.3 billion 1972 dollars, it has gone up from \$750 million 1972 to \$1.3 billion 1972. In other words, an 84 per cent increase. And it would be interesting to just see why that increase should come about. And partly why it came about is the accumulation of interest on borrowings that were done before 1972. But even if you take the view that that increase was a large increase, an 84 per cent increase, one again has to compare it with something else. You have to compare it with what was the gross domestic product of the Province then, and the gross domestic product compared to now.

In other words, if you are a millionaire and you owe \$1,000 you do not owe very much money. If you only have \$1,000 and you owe \$1,000, presumably you are bankrupt. So you have to relate what you owe with your worth. And one way of comparing the worth of Newfoundland now, compared

DR. COLLINS: with 1972, is to look at the gross domestic products in the two years, and another way of looking at it is looking at personal income in the two years. If we look at that we find that the gross domestic product for Newfoundland in that ten year period went up by 235 per cent, not 84 per cent which our debt went up in real terms. Our real debt went up in terms by 84 per cent, our gross domestic product went up by 235 per cent.

Similarly, if we look at our personal income we find that our personal income went up by 223 per cent in that ten year period. So you can see that even though our debt is higher we are much more readily able to bear it.

Now, another point that I think is worth making to the Committee, and I have not got figures that go back a long way, but if we just compare the revised figure for debt expenses,

DR. J. COLLINS: in 1981/82, with the figure that we have in for the 82/83 budget, we will see that our debt expenses went up from just over \$ 8.9 million up to \$9.6 million. In other words, an increase of 7.5 per cent. So from one year to the other the debt expenses increased by 7.5 per cent. But, if you look at net expenditure, total net expenditure which is very equivalent to total income, because we balanced our budget we see that total net expenditure went from \$1.5 billion up to \$1.7 billion or an increase of 12.7 per cent. In other words, our expenditures, our total expenditures, which are a reflection of our total revenues, are going up at a more rapid rate than our debt expenses are going up. In other words, we are being able to handle our debt expenses better in 1982/83 than we did 1981/82. I cannot quote the figures here but I have looked them up, and in actual fact, for the last four or five years that is a trend that is there all the time. In other words, we are managing, as a proportion of our total revenues, we are managing our debt in an easier manner. So, with those remarks I just want to tell the hon. member that we are conscious of the fact that our public sector debt is high.

One of the aims of this government is not only to give services to the people, but also to get down our debt, to reduce our debt, and we will do that with the plans and the objectives that we have in mind. But even though we know it is high, it is being managed, it is in a manageable form at the present time, and it is seen that way not only by ourselves but by those we borrow from and by those who give us credit ratings.

MR. CHAIRMAN: (Dr. McNICHOLAS) The hon. member Leader of the Opposition.

MR. S. NEARY: Mr. Chairman, I do not know what term I could use to describe the statements just made by the hon. gentleman, other than to just say that the hon.

MR. NEARY: gentleman really does not know what he is talking about, Mr. Chairman, he is completely out of his depth. The hon. gentleman does not have the foggiest notion about managing the affairs, the financial condition of this Province. The fact of the matter is, Mr. Chairman, that we are now engaged in a policy of record borrowing in this Province. This year we will borrow, Newfoundland will borrow \$336 million, a record for this poor old Province. We will be borrowing over \$ 600 for every man, woman and child in Newfoundland.

MR. NEARY: Over \$600, will be added to public debt this year for every man, woman and child in Newfoundland. That \$600 will be added to an already total of over \$6000 for every man, woman and child in this Province. Overall, when you look at the public debt. We have borrowed over \$6000 for every man, woman and child in Newfoundland and Labrador. And we will now put on another \$600, on to that this year for every man, woman and child in Newfoundland and every child that will be born in the next twelve months in this Province.

MR. NEARY: It is a record, Mr. Chairman. And I would not mind if we had something to show for it. Mr. Chairman, the hon. gentleman before he took his seat he made this famous statement, 'that we have to maintain services at the present level' or something to that effect, we have to maintain services at the present level, as they are at the present time. Well, now, Mr. Chairman, these are good words, but let us look at what is happening. We have the children's dental care program being reduced from three treatments a year to one, and the Dental Association last night said publicly, 'that is a mistake that is wrong, that is going to cause all kind of problems with children's teeth, and that the government should reconsider this decision'.

MR. YOUNG: Sit down before you bite your tongue.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker, that is the Dental Association, that is not the Liberal party. That is not the member for the Strait of Belle Isle (Mr. Roberts). That is not the editor of the Daily News, or the editor of the Evening Telegram, that is a spokesman from the people who know. It is not a statement by Ottawa, you cannot attack Ottawa for that. You can not attack Bill Rompkey for that.

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MR. CALLAN:

They will try.

MR. NEARY:

It was the president, their
spokesman, for the Newfoundland Dental society-

MR. CALLAN:

They will try.

MR. NEARY: who made that statement. The gentleman is an expert, he knows what he is talking about. And the minister has the face today to stand and tell us that why we are borrowing in record amounts is to maintain services at their present level. What about the two cottage hospitals? Which is only a beginning by the way. If I were people living in other cottage hospital areas I would watch what is going on now, Mr. Chairman, with suspicion. This is only the beginning, And if they get away with it, Mr. Chairman, if they get away with Markland and they get away with Old Perlican, they will wipe out every cottage hospital in Newfoundland. That is the kind of strategy they have planned.

MR. MORGAN: They are putting a new one in Bonavista.

MR. BARRETT: And a new one in Port aux Basques, I understand.

MR. NEARY: That is not a cottage hospital. I am talking about the cottage hospital scheme. The hon. gentleman does not know the difference.

Mr. Chairman, now is that maintaining public services at their current level? And while they are doing this, Mr. Chairman, while they are taking away the children's dental care programme and while they are closing down two hospitals, you know what they are doing, Mr. Chairman? They are building roads to Summer cottages. Yesterday the Minister of Forest Resources and Lands (Mr. Power) took pride in announcing the fact, and he repeated it again today, that one of the priorities of this administration is to build roads in by ponds so that the moneybags and the millionaires can get in and build Summer homes. That is their priority, at tremendous cost to the taxpayer.

MR. RIDEOUT: A good programme.

MR. NEARY: Mr. Chairman, if it is anything like the Deer Park and the priorities they had down there and

MR. NEARY: their buddies getting their permits and their building lots while there was a freeze on, members of the administration getting their building lots down there, if it is anything like that, if it is as crooked as that was, Mr. Chairman, there will not be much odds about it.

MR. WARREN: And even ministers got places down there.

MR. NEARY: Mr. Chairman, is this maintaining services at their present level? Jacking up the price of hospital beds, the cost of hospital beds, is that maintaining services at their present levels? I ask the hon. shiny-nosed, goggle-eyed, bright-eyed gentleman from Burin-Placentia (Mr. Tobin),

MR. NEARY: is that maintaining services at their present level? And while they are putting up the cost of hospital beds to the sick and to the dying of this Province, Mr. Chairman, would you guess how much they have spent in the last four or five years on jails and courthouses in this Province? \$12 million in a four year period. They have spent \$12 million renovating the pen, putting in a gymnasium down there at Her Majesty's Penitentiary, and putting on a new wing, a new correctional institute for women in Stephenville, another correctional institute in Central Newfoundland. Now they are going to build another one in Labrador.

MR. TOBIN: It is new - for you.

MR. NEARY: Mr. Chairman, I would suspect they are getting Her Majesty's Penitentiary ready for the day when this administration is turfed out. They are going to make sure they are going to have comfortable accommodations down here at Her Majesty's Penitentiary. They are looking forward to their new career in the future.

MR. TOBIN: You will not be around to see that day.

MR. NEARY: But, Mr. Chairman, the point that I am making is this, here they are putting up the cost of hospital beds to the sick people of this Province and to the dying, and at the same time one of their priorities is building jails. They have built more jails in the last five years than we have had in this Province since John Cabot discovered Newfoundland.

Mr. Chairman, I would suspect the reason they have to give top priority to building jails and penal institutions and correctional institutions is because of the sagging economy.

MR. BARRETT: The only sagging in this economy is the Liberals.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, there is the answer. I am sure young people in this Province are really, really impressed. They are really impressed with the attitude -

MR. WARREN: You are not allowed to talk from someone else's seat, by the way. You are not allowed to talk from someone else's seat. Go back to your own seat, boy. Go back to your own seat you ignoramous.

MR. CHAIRMAN (Aylward): Order, please! Order, please!

MR. NEARY: Mr. Chairman, young people who cannot find jobs and who are now going to have the training program - going to have the door slammed in their faces, they must be impressed with the attitude of this government, the

MR. NEARY:

arrogance of this government. And, Mr. Chairman, let me ask the hon. gentleman another question. It has been announced in the last day or so that eighteen or nineteen instructors in vocational schools are going to be laid off that the students in the vocational schools are now going to have to pay \$200. a year tuition, and if they need any assistance they will be forced to go and borrow the money. Is that maintaining services at their present level?

MR. WARREN: I heard of (inaudible).

MR. NEARY: Is that what the hon. gentleman means?

MR. NEARY: Create record unemployment in the Province and then deny young -

MR. BARRETT: No. it is not a record.

MR. NEARY: It is a record, Mr. Chairman - and then deny young people, young single able-bodied men and women, deny them welfare.

MR. CHAIRMAN (Aylward) Order, please! The hon. member's time has elapsed.

MR. NEARY: I will come back to it in a second, Mr. Chairman.

MR. WARREN: Mr. Chairman.

MR. CHAIRMAN: The hon. member for Torngat Mountains.

MR. WARREN: Mr. Chairman, I do not mind speaking, but I hate to see the member from St. John's West (Mr. Barrett) getting out of his seat and talking across the floor. I would prefer that he go back in his own seat and then he can talk.

MR. BARRETT: I can sit here if I want to.

MR. STEWART: He can sit anywhere he wants to.

MR. MARSHALL: On a point of order.

Is the hon. gentleman sitting down? I did not hear,
is the hon. gentleman sitting down?

MR. POWER: He is not standing up, is he?

MR. CHAIRMAN(Aylward)I did not hear the hon. member
raise the point of order.

MR. MARSHALL: Well, he sat down, I stood up to
speak, Mr. Chairman.

MR. WARREN: Okay, good show.

MR. CHAIRMAN(Aylward); The hon. the President of the
Council.

MR. MARSHALL: Okay, the hon. gentleman yields to
me. That is fine.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Mr. Chairman, I
only got a few moments now. The hon. Leader of the
Opposition (Mr. Neary) got up and he gave his
usual tirade, He is not talking on the subject, He does not
like - first of all, let me make this point, he does
not like the accepted procedures of all British Parlia-
mentary institutions of having estimates in Committees.
So instead of that, he is using this particular device
to talk about every subject all around the circle and
making the usual type of sense that the hon. gentleman is al-
ways making. I heard the hon. gentleman refer to the
vocational schools and his alleged cutback with vocat-
ional schools. What has happened in the vocational
schools is that this was a decision that had been taken
about a year and-a-half ago and what it amounts to is
approximately

MR. W. MARSHALL: fifteen positions that have become redundant because of the fact that there were not enough students in the programmes concerned. So, consequently, our education systems that respond to the needs of students and the needs of the people of Newfoundland, what we did sometime ago as the Minister of Education (Ms. Verge) - we made this decision, but at the same time it has been, and they have been replaced with other programmes which are programmes that are much more meaningful in the context of the present day and have many more students that are available to them. The hon. gentleman makes a lot too - is trying to make a lot from the alleged report of the Auditor General on Consolidated Revenue Fund with respect to a sinking fund and the requirement of the Province of Newfoundland. The hon. gentleman there opposite thinks that the government of Newfoundland should not invest in its own securities. Well, in the first place, Mr. Chairman, I would say that that observation would probably be well taken if you were talking about securities that were issued by the government of Newfoundland prior to 1972. But since 1972, Mr. Chairman, this government has the Province in such a condition despite our meager resources, that probably one of the safest investments that one could make would be in the securities of this Province. After all, Mr. Chairman, just look at it, let us just look at the management of the Province by this government. Here we have a balanced current account this year, some \$4.5 million. That is a better position than any other Province in Eastern Canada. Quebec is budgeting for close to \$3 billion deficit this year, \$21, 100,000,000 of which is on current account. On current account mind you, they are borrowing \$2,100,000,000 to pay their grocery bills, all that, when you consider in addition to that they get \$600 million or \$35 million a year free gratis from the hon. gentlemen there opposite, when they entered into that disasterous

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MR. MARSHALL: contract.

AN. HON. MEMBER: Hear, hear!

MR. MARSHALL: In connection with Nova Scotia, what did Nova Scotia do this year? It raised the retail sales tax by two points, it raised the personal income tax by four points, it raised all taxes that were levied, and at the same time there is a current account deficit in the vicinity of a \$130 million. That Province, as I say, has no current account deficit, it has a current account surplus. Similarly, New Brunswick is projecting a current account surplus. So, this Province under the strong Leadership of the Minister of Finance(Dr. Collins), who is at the helm of our finances and our financial management and the management of the Province, has brought in a budget that has a surplus on current account.

SOME HON. MEMBERS: Hear, hear !

MR. MARSHALL: Now, you do not hear anything about that, Mr. Chairman, from the hon. gentlemen there opposite. When the hon. gentlemen there opposite are speaking about the affairs of this Province, they neglect to mention the fact that our ratings, even though we are still at present a BAA rating, that our -

MR. NEARY: For how long more ?

MR. MARSHALL: - prospectus has gone down, went down in recent hydro borrowings was dealt with in a very quick and efficient manner, quicker than ever before, Mr. Chairman, with all sorts of compliments emulating from the financial people, the financial advisers, talking about the strength of this Province and talking

MR. MARSHALL: with wonder and awe about how this little Province with its meager resources could do what it is doing by way of management. And that is something, Mr. Chairman, to be proud of. On the other hand, I do not expect the hon. gentlemen there opposite to be proud because what happened, as we have already indicated and the public knows - during the election campaign, Mr. Chairman, do you know what the hon. gentlemen there opposite actually did to the people of this Province? In their mad rush to try to get power they were prepared to denigrate the credit of this Province. What they did was members of the Liberal Party of Newfoundland during the election campaign actually were ringing the bond houses and the financial agents down in the State of New York and asking, not whether, Mr. Chairman, we were going to get an upgrading - no, not that - but whether or not the Province of Newfoundland was going to be downgraded in its credit rating.

MR. TOBIN: They were keeping their fingers crossed.

MR. MARSHALL: Mr. Chairman, can you imagine any action against the interests of the people of this Province than an elected representative of this Province-

MR. NEARY: Name them. Name them.

MR. MARSHALL: I will name them. The hon. gentleman there opposite during a Question Period in this House indicated that the Liberal Opposition had done so. They indicated that.

MR. NEARY: A point of order, Mr. Chairman.

MR. MARSHALL: Mr. Freeman White, I understand, also did it.

MR. NEARY: A point of order, Mr. Chairman.

MR. CHAIRMAN (AYLWARD): A point of order, the hon. Leader of the Opposition.

MR. NEARY: What I indicated to the hon. gentleman in a previous -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Hold on now - in a previous debate, that some two or three years ago I had gone to New York with two or my colleagues to visit Standard, Poor and Moody in New York to discuss the credit rating and the financial position of the Province. I would think that was about three years ago, Mr. Chairman. Well that was before the election.

MR. MARSHALL: Is that a point of order, Mr. Chairman?

MR. NEARY: The hon. gentleman is right.

MR. MARSHALL: That is not a point of order.

MR. CARTER: To that point of order, Mr. Chairman. If one of the pages would come here I have something for the Leader of the Opposition (Mr. Neary) that I would think would be very timely to present to him now. When he opens it he will realize what it is.

MR. CHAIRMAN (AYLWARD): I rule that there is no a point of order. and the hon. Leader of the Opposition took -

MR. NEARY: Take it back to him, dear. Take it back to him.

MR. MARSHALL: Mr. Chairman, when this was brought up in the House before, this session, there was - and if you check Hansard, Mr. Chairman, you will find out what happened.

MR. NEARY: I am allergic to savoury.

MR. MARSHALL: You better watch out, it is a dead mouse. But, Mr. Chairman, the hon. gentleman there opposite has the gall to get up in this House and talk about the financial management of this Province, Saddled with debts of millions and billions of dollars that were inherited in 1972 on which interest is accumulating,

MR. MARSHALL: Mr. Chairman, that crowd there opposite has got the unmitigated gall to get up in this House or in this Committee and criticize the management of this Province. As I say, you never hear them say anything positive. What about the Provinces of Quebec and Nova Scotia, New Brunswick and Prince Edward Island? This is the only Province in Eastern Canada that comes in with a balanced budget on current account each year.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

And they say that we are gilding the lily, Mr. Chairman, that we are gilding the lily -

MR. CHAIRMAN (AYLWARD):

Order, please!

MR. MARSHALL:

What about last year? The proof is in the pudding, is in last year, because lo and behold last year we did the same thing. We are the only ones who balanced our budget.

SOME HON. MEMBERS:

Hear, hear!

MR. CHAIRMAN (AYLWARD):

Order, please! It being five-thirty there is a motion before the House that the Committee doth 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 (RUSSELL):

The hon. Chairman of Committee.

MR. AYLWARD:

Mr. Speaker, the Committee of Supply have considered the matters to them referred and has directed me to report some progress and ask leave to sit again.

On motion, report received and adopted.

MR. SPEAKER:

A motion to adjourn is deemed to have been made and there are two questions, I understand, for the Late Show and I recognize the hon. member for Tornqat Mountains.

MR. WARREN:

Yes, Mr. Speaker, yesterday in this hon. House I asked a question to the Minister of Transportation (Mr. Dawe), and today I did receive a partial affirmative reply from him. However, Mr. Speaker, as I said today -

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MR. MORGAN: (Inaudible) that is the reason why there are temporary arrangements in St. Anthony.

MR. WARREN: Mr. Speaker, as I said today it is only band-aid treatment that this government has given to the people in Black Tickle.

Mr. Speaker, in conversation with the people in Black Tickle today, yesterday at six o'clock there were ten cases of milk, eight sacks of flour, seven cases of apple and orange juice and two cases of rice. That is the total compliment that arrived in Black Tickle yesterday afternoon; and by chopper that came in from Cartwright, two cases of apples, two cases of oranges, one case of eggs, and one case of Tang mix. And, Mr. Speaker, those commodities were taken up by one-quarter of the people in Black Tickle within fifteen minutes, according to the two businessmen in that community.

Mr. Speaker, there are still no vegetables, still no salt beef, and the flour has been consumed that was brought in yesterday. Now, for the minister to get up in this House - I will not say, Mr. Speaker, that the minister has misled the House.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

MR. WARREN: Mr. Speaker, I will not say that the minister misled the House, but I want to

MR. WARREN: assure the minister that the government that he is part of, the government that he is part of knew of the problems, in Black Tickle.

MR. MORGAN: Eight sacks of flour, ten thousand loaves of bread.

MR. WARREN: Mr. Speaker, if the hon. Minister of Fisheries would go back to his own seat and stop his gob.

MR. CALLAN: - and three small fishes.

MR. WARREN: Mr. Speaker, it is a disgrace to the hon House how a gentleman with some intelligence can act.

AN HON. MEMBER: Intelligence? Intelligence?

SOME HON. MEMBER: Oh, oh!

MR. CHAIRMAN (Russell): Order please! Order please!

MR. WARREN: Mr. Speaker, on May 25th, the hon. Minister of Rural, Agricultural, and Northern Development (Mr. Goudie) was contacted by the business men of the community, and he told them, he told the business men: 'Look, there is not too much we can do. There is not too much that we can do.' Now, Mr. Speaker, I understand yesterday that the federal government, the government that this government does not like, offered to help the provincial government with an aircraft. The federal government has contacted this government and said, 'Look, we will help you people in whichever way possible.'

MR. LUSH: They are laughing over there, laughing, laughing at you.

MR. WARREN: Now, Mr. Speaker today in Port Hope Simpson there is no flour, there are no frozen meats, or fresh meats or salt meats -

MR. LUSH: It is not a laughing matter.

MR. WARREN: - there is no fruit or vegetables.

Now, Mr. Speaker, a government that have been given a mandate to look after the affairs of this province, are they going to let down the people along the Labrador coast? Because we have had a difficult Winter, and because there is -

MR. MORGAN: You are never there when they have a problem. You are never on the phone.

MR. WARREN: Mr. Speaker, is this government going to leave -

MR. HOUSE: Two of their members.

MR. WARREN: Mr. Speaker, I would like to continue but I think the ignoramus, the Minister of Fisheries is just ridiculous.

MR. SPEAKER (Russell): Order please!

MR. STAGG: Oh, oh, that is casting aspersions.

MR. WARREN: And, Mr. Speaker, yes if there was ever an ignoramus in this house, there is one sitting right there.

MR. CHAIRMAN (Aylward): Order please!

MR. LUSH: Heave it out of you.

MR. WARREN: So I would like for the Minister of Transportation (Mr. Dawe),

MR. WARREN: to advise, Mr. Speaker, if his department, in conjunction with the Department of Rural Agriculture and Northern Development, or any other department in government, will make sure that the people not only in Black Tickle and Port Hope Simpson, but in other places from Mary's Harbour to Nain, will not be deprived of the -

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER (RUSSELL): Order, please.

MR. WARREN: - of the staple foods that those people need to survive on, such as flour, sugar, butter, milk, and so on. And, Mr. Speaker, I call upon the minister to use his influence as a minister and try to do something to help those people -

MR. LUSH: Show sympathy and understanding.

MR. WARREN: - and show sympathy and understanding for these people Mr. Speaker. And probably when he gets up, Mr. Speaker, he can use his boot to give the Minister of Fisheries (Mr. Morgan) a kick in the rear end and put him out through the door.

MR. MORGAN: Out playing poker along the Labrador Coast. Playing poker with your cards, are we?

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER: The hon. Minister of Transportation (Mr. Dawe). Order please.

MR. DAWE: Mr. Speaker, it is obvious that the hon. member is not completely aware of the situation in Black Tickle as it was obvious from his questioning yesterday and earlier today.

MR. CALLAN: What?

MR. DAWE: The fact is, Mr. Speaker, that some three or four weeks ago, an individual in Black Tickle did contact my colleague's office and indicated that perhaps sometime down the road there maybe a

MR. DAWE: shortage, and inquired as to what the procedure might be if, in fact, that situation had occurred.

MR. RIDEOUT: Oh, that is a little bit different.

MR. SIMMS: Hear! Hear!

MR. DAWE: The information was given to the individual, and that was all of it. The next thing that my department heard, Mr. Speaker, was a phone call that was into my office, was redirected to my Director of Transportation, from a Mr. Keefe in Black Tickle -

MR. WARREN: O'Keefe. It is O'Keefe.

MR. DAWE: -who advised that in his opinion there was an impending food shortage, and inquired as to what the possibilities were, and if, in fact, the community was eligible for the food airlift subsidy that my department administered, if they were eligible for it, and he was advised that they were.

AN HON. MEMBER: Hear, hear!

MR. DAWE: He also inquired whether, in fact, my department or any department of government would help finance the cost of buying the food in the first place. And, of course, he was told that our particular department did not become involved in that kind of a subsidy. It was explained to Mr. Keefe the details of the subsidy programme which as I indicated earlier today, amounted to some \$60,000 in the last fiscal year, in providing air freight assistance to supply these communities.

The member indicated that the Federal Government had said they would assist. Well, it is peculiar, Mr. Speaker, in that Mr. Keefe said that he had contacted Mr. Rompkey's office at about the same time that he contacted my office and he was told that Mr. Rompkey, of course, would take immediate action. Mr. Rompkey's immediate action was to have an official from his department

MR. DAWE: call my officials and he quoted a report that says, 'He also contacted the Hon. William Rompkey's office. An official from Mr. Rompkey's office notified this office of the call and said he would leave the problem with us for resolution'.

SOME HON. MEMBERS: Hear, hear!

MR. DAWE: Well, Mr. Speaker, that is federal action, that is the federal action. The story is a little different, Mr. Speaker. They always want to -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (RUSSELL): Order, please!

MR. DAWE: - claim all the glories but when it comes down to the crunch, Mr. Speaker, who is the government that really looks after the interests of the people of Newfoundland and Labrador? It is this government here, Mr. Speaker!

SOME HON. MEMBERS: Hear, hear!

MR. DAWE: It is this government here, Mr. Speaker, the provincial government that has the interests of the people at heart and we will continue, Mr. Speaker, through the existing subsidies.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. DAWE: And even yesterday while we spoke, Mr. Speaker, the Department of Rural, Agricultural and Northern Development was flying food supplies. As I understand it, today another arrangement was made, out of St. Anthony, to fly additional food supplies into Black Tickle.

SOME HON. MEMBERS: Hear, hear!

MR. DAWE: Mr. Speaker, we are on top of the situation and we will continue to be on top of the situation. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. WARREN: They were not going to do anything

MR. WARREN: until yesterday, eh. Good member, boy, good member.

MR. SPEAKER (RUSSELL): Order, please!

MR. WARREN: Good member here, eh!

MR. SPEAKER: Order, please!

The final matter for debate today is the matter raised by the hon. member for Bellevue (Mr. Callan).

MR. WARREN: Get a better answer there 'Wilson'.

SOME HON. MEMBERS: Hear, hear!

MR. CALLAN: Mr. Speaker, I probably will not need the five minutes so I do not really care if I am late getting started. Mr. Speaker, the matter I raised this afternoon in the Question Period was a matter with which I am concerned because it was quite recently, and, as a matter of fact, it is not the first time, but quite recently in my district it came to my attention, the fact that this family, the father was drawing UIC benefits, he and his wife had a problem there with a teenage daughter. I think she was seventeen years of age, pregnant and, of course, because they had other members of the family, and the UIC payments were not high, and the unwed mother, the teenage girl who had to go back and forth to doctors in the local area and also, of course, the odd trip to St. John's at the doctor's orders in the area that I am referring to and, of course, the drugs involved and so on, there was a fair amount of cost involved. So when the mother went to see the welfare officer in the area, the mother

MR. CALLAN:

was informed that, you know, once they made up the amount of UIC, the number of people in the family and so on, the mother was informed that no assistance could be made available to the daughter because about a year ago a directive was sent out by the Department of Social Services, about the same time I believe that a directive was sent out regarding going back ninety days for fishermen who were coming in and saying, "I have not had any income in the last week," which I believe to be a good system, you know, but it was about that same time that the directive was sent out that no payments, or no assistance could be offered to pregnant, unwed teenagers under the age of eighteen. They were considered to be under the care and custody of the parents.

The point that I want to make, and the question that I want to put to the Minister of Social Services (Mr. Hickey), Mr. Speaker, is the discrepancy that seems to exist. I think the parents involved would have accepted the fact, but in that same town, in that same community there were other people, you know, who a year, or at the same time actually, probably five or six months before, who had gotten help and so there seemed to be a discrepancy between girls who got pregnant, say, in recent months and the ones who were on the system and continued to stay on the system.

MR. WARREN : Should not get pregnant.

MR. CALLAN: So therefore, Mr. Speaker, there seems to be a discrepancy there. How can it be that -

SOME HON. MEMBERS: Oh, oh!

MR. MORGAN: Some discrepancy, boy.

MR. SPEAKER (Russell): Order, please!

MR. CALLAN: Mr. Speaker, the Minister of Fisheries (Mr. Morgan) seems to be in a rather rambunctious -

MR. MORGAN: (Inaudible).

MR. SPEAKER (Russell): Order, please!

MR. CALLAN: - mood. He spent five minutes laughing at the plight of the people on the Labrador Coast.

MR. MORGAN: I am laughing at the gentleman who brought forward the issue in the stupid way that he did.

MR. CALLAN: Mr. Speaker, usually when the the Minister of Fisheries (Mr. Morgan) is speaking he asks to be heard in silence. Since I am finished I will not ask that, but I hope that the minister in his response will explain the discrepancy that exists there, that there are some people who are receiving it and to this particular set of parents, of course, it seemed as though -

MR. CALLAN: - you know, it seemed as though there was a discrepancy there and I had to agree with them. Would the minister explain the discrepancy?

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

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: Mr. Speaker, first of all I want to inform the hon. gentleman that a change in regulation was made about a year and-a-half ago and a change I defend, Mr. Speaker, and I would be rather surprised if the hon. gentleman disagrees with me. The change, in fact, prevents a fourteen year old, fifteen year old, sixteen year old, seventeen year old girl who becomes pregnant and has a child being set up as an

MR. T. HICKEY:

adult ready to take on the world and make all the decisions that a mother has to make for her child and herself. We will not pay rent any more, I am not going to pay rent any more and I am not going to set anyone up at fourteen years with a child in her own shop. Neither am I going to absolve the parent of such a child, who becomes pregnant -

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: - of their responsibility to provide, not only guidance but food, shelter, clothing, housing and all the rest.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: I have brought about that change because I disagreed with it being changed from what used to be. The law that is in effect now is the one that used to be. And I am not fully acquainted with how it was changed but, in fact, it was and I have rectified the matter and I am quite proud of the action that we took.

SOME HON. MEMBERS: Hear, hear!

MR. HICKEY: That is number one, Mr. Speaker, Number two, I think it is wrong for the impression to be left that there is no help for young girls who find themselves in this kind of situation, the impression that in fact there is no assistance. We deal with every case on its merit. There are some situations where even a seventeen year old, where the bond between parent and daughter have completely broken down, where she is out and will not go back or is not accepted back. This department does not ever turn a blind eye to that or turn our back to that and we burn our bridges - there is provision in the regulation to allow the flexibility to deal with that kind of situation.

SOME HON. MEMBERS: Hear, hear! Right on!

MR. T. HICKEY: On the issue of the case in point. There are a few cases in the Province that might very well be, where there is unemployment insurance as the only source of income. But the rate of unemployment insurance in relation to the number of persons, which is how the amount is established by way of assistance, is above the requirements and the amount that we are allowed to give to such an extent that that family, not the girl and baby, but the family in total are deemed to be not eligible for social assistance. But, Mr. Speaker, if there are extenuating circumstances and if there are high costs of medical attention and/or transportation, certainly there is the flexibility on the part of the social worker.

MR. YOUNG: Did he bring it to your attention?

MR. HICKEY: And if the hon. gentleman has any cases, please bring them to my attention and I will be glad to look at them to see if, in fact, we can remedy the situation. The other matter, finally, Mr. Speaker, of the discrepancy.

MR. YOUNG: The boys and girls.

MR. HICKEY: There are a few cases, I suppose, still not attended to wherein the corrective measures are taken. And the corrective measures I mean to be as follows: If a girl

MR. HICKEY:

was placed on assistance in her own right, having had a child, under the old regulation, then hardship would be created to just immediately discontinue the allowance. So we allow time of transition to make the adjustment if, in fact, the girl is very young, say fourteen or fifteen which there are some. If it is a case of a seventeen year old, of course, by now she has reached eighteen so she has a legitimate right under the law to assistance in her own right anyway. So that takes care of itself.

The odd case of discrepancy wherein there are maybe two or three years left to go, I have issued instructions that over time those cases be dealt with and phased out and that the parents accept their responsibility for whatever period of time there is until they reach the age of majority. And I do that, Mr. Speaker, again in the spirit and in the hope that parents will not necessarily cut the apron strings between themselves and a very young daughter who has had a misfortune and who has a child and who, in many instances, is not capable and not equipped to go out in the world and to make their way.

I think the other thing, Mr. Speaker, to conclude, I think this is a very positive and a very good move and a good change because, I think what it does, it clearly states this government's intent and wish as well as our action to ensure that a girl who, in fact, finds herself pregnant with a child does not have to accept full responsibility and burn her bridges with an education which will allow her to have the same kind of future that she would have had or might want in the event that she had never had this misfortune. So I think that on the positive side, there is more positive about it than negative. I acknowledge there are some problems and I suggest to the hon. gentleman if he wishes to give me a name or names, I will use, Mr. Speaker, the usual compassion which flows from

MR. HICKEY: my department and this government
to bring help to those in need.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (RUSSELL): The motion is that the House do
now adjourn until tomorrow, Friday at ten o'clock. Those
in favour 'Aye', those against 'Nay'. Carried.

I do now leave the Chair until
ten o'clock tomorrow, Friday.