

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
MONDAY, MAY 11, 1981

The House met at 3:00 P.M.*

Mr. Speaker in the Chair.

MR. SPEAKER (SIMMS): Order, please!

STATEMENTS BY MINISTERS:

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

MR. MARSHALL: Mr. Speaker, I have a rather important statement to make and before making it I will just ask the indulgence of the House to abide by the normal rules to allow the statement to be read and received in silence -

MR. NEARY: Table it.

MR. MARSHALL: No, I will not table it.

- at which time the hon. gentlemen there opposite, in accordance with the usual procedures, can respond to it.

Mr. Speaker, this is -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MARSHALL: This is a good start, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MARSHALL: This, Mr. Speaker -

MR. NEARY: Table it. We can read.

MR. MARSHALL: This statement relates to the inquiry into the purchasing procedures of the Department of Public Works and Services, that is, the Mahoney Commission Report. The statement is as follows:

Mr. Speaker, first, may I express government's appreciation to Mr. Justice Mahoney and his staff for their most thorough and painstaking efforts which will be so evident to anyone reading the report. It is a thoughtful and well-written document and is welcomed by government. The report has received close and careful analysis by government since its receipt on March 31st. It covers much territory

MR. MARSHALL: and it is impossible, Mr. Speaker, to deal with all of its aspects in detail within the framework of a Ministerial Statement.

Nevertheless, government wishes to comment upon the principle observations and recommendations of the report at its tabling so its attitudes and intentions relating to the findings of the inquiry will be known.

There are, Mr. Speaker, twenty-two recommendations in the report. Government views all of these recommendations to be consistent with its policy to foster a strong public tendering system and therefore accepts them in their entirety. Indeed, government has decided to extend application of two of the recommendations. The review of purchasing procedures suggested in the initial recommendation will be extended to the Government Purchasing Agency which is established under the Department of Public Works Act instead of the Public Tender Act.

Furthermore, change orders themselves, or adequate descriptions of same, will be table in the House rather than Orders-in-Council as suggested in recommendation 16. Also, for practical reasons Orders-in-Council will only have to be obtained for change orders exceeding a stipulated, prescribed amount.

I now come, Mr. Speaker, to the finding with respect to compliance with the Act. The Commission was charged with inquiring whether there had been full compliance with the Public Tender Act between its enactment and the establishment of the Commission in June of 1977. The Commissioner concluded there had not been and rendered a detailed analysis for the reasons for this determination. A study of the entire report, and I would emphasize this, Mr. Speaker is needed to gain a full appreciation of these acts of non-compliance.

MR. W. MARSHALL: However, it needs to be said and it must be noted that the Commission attributed primary responsibility for this failure to the ministerial level.

 In fairness, however, Mr. Speaker, to all concerned, it must be noted the Commission concluded that there was - and I quote from the Commission - 'no evidence of bribery in the form of payment of substantial amounts of money or kind' to or for ministers or departmental officials concerned. This needs to be said in view of the atmosphere pervading this matter and the unfortunate innuendoes directed towards individuals involved. It is to be hoped, Mr. Speaker, that this finding will be reported widely.

 The main reason for non-compliance is set out quite cogently in the general conclusions and comments contained in Chapter 10 of the report which are particularly recommended to members for their consideration. The Public Tender Act, Mr. Speaker, constituted a significant change in the manner of operation of government. As the report so pointedly emphasizes, the practices which the Act were meant to change did not occur overnight. Rather, the Act addressed itself to elimination of past habits and practices from a previous administration. While this is certainly not meant to condone these practices, it does explain them and certainly points why there was no standard or yardstick against which contracting practices could be measured.

 Now against this background one can see part of the reason for non-compliance with the Act. Change is difficult for anyone. However, realization of this change, as the report so ably points out, was made all the more difficult because of an absence of - and I quote from the report - 'a will on the part of all concerned to see that the statute was properly implemented'.

MR. W. MARSHALL: It is quite significant to note that the Commissioner observed a general will on the part of government to enforce the Act properly over the past two or three years. I can assure this House that the present administration, had, has, and always will maintain a fixed determination to require the Public Tender Act to be enforced to the fullest of its spirit, letter and intent. This government recognizes the Act as an important social reform, which it is, and a major element in providing good government for the people of this Province.

Mr. Speaker, I now turn to the item of in camera evidence because the Commissioner referred certain of the evidence taken at the in camera hearings to the Director of Public Prosecutions. The Director and his staff have now reviewed this evidence. I am advised this testimony provides no information additional to that already in possession of police and the Department of Justice. After assessing all evidence it has been found there are no grounds for further prosecutions.

I am unable to leave this part of the inquiry, Mr. Speaker, without noting that certain of this in camera testimony was that of a Mr. Andrew Davidson. The Commissioner, who is a judge, and an experienced judge of our Supreme Court, said on page thirty-six with respect to this evidence that,

MR. MARSHALL: "a substantial portion remained unsubstantiated by any other corroborative evidence and does not meet the tests of reliability to justify its being read into the public record of the Commission." Further, on page 288, Mr. Justice Mahoney felt compelled to remark he gave - and give I quote - "little, if any, credence to Mr. Davidson's allegation."

Indeed, it must be emphasized that Mr. Davidson's testimony was heard privately because the Judge in his wisdom quite rightly saw the evidence of Mr. Davidson to contain serious allegations against individuals.

While the Commissioner felt it would be improper, Mr. Speaker, to permit the hearings to become a forum for making allegations - I am sorry, not to permit - yes, it would be improper to permit the hearings to become a forum for making allegations against individuals, I do have to note that this House was so used when an affidavit was tabled that contained wild and serious charges touching upon matters which, I understand, formed the substance of Mr. Davidson's evidence.

MR. NEARY: True. True facts.

MR. MARSHALL: Members should not forget, Mr. Speaker, that evidence which Mr. Justice Mahoney found unreliable and of no credence was in fact made public through the medium of the House of Assembly and to the detriment of reputations of persons affected thereby.

MR. NEARY: He did not have the affidavit.

MR. MARSHALL: These facts surely afford, Mr. Speaker, food for sober reflection by this House upon the use of parliamentary immunity and the extent of responsibility of members who thereby become vehicles for attack upon the lives and reputations of persons.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: I now move, Mr. Speaker, to what I regard as being the very positive part of the report, that is the -

MR. NEARY: (Inaudible) table it.

MR. MARSHALL: It is going to be tabled, Mr. Speaker, and then maybe the hon. gentleman may wish to comment on the last remarks I made.

MR. SPEAKER (Simms): Order, please!

MR. NEARY: Did you recover the money? That is what Mr. Mahoney, (inaudible).

MR. MARSHALL: Mr. Speaker, I now pass to -

MR. SPEAKER: Order, please!

MR. CARTER: Mr. Speaker, name him. Throw him out.

MR. MARSHALL: I now pass, Mr. Speaker, to the recommendations.

Having indicated government is adopting all of the Report's recommendations, these should be commented upon now when tabling the Report. The recommendations, Mr. Speaker, are divided into administrative and legislative recommendations.

MR. NEARY: Tell us what you are going to do about it now.

MR. MARSHALL: We deal with the administrative ones first. (a) A review will be undertaken, as suggested in recommendation No.1, of the purchasing procedures and this will be extended to the Purchasing Agency, as already indicated.

AN HON. MEMBER: Big deal.

MR. MARSHALL: Also, Mr. Speaker, adequate controls, as suggested in recommendations 2 to 7, will be implemented.

(b) As suggested in recommendation No. 8, all buildings under the jurisdiction of the Department of Public Works and Services will be subject to fixed term service contracts for the provision of electrical, mechanical and other maintenance services and these will be awarded by public tender pursuant to the act for a fixed period.

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MR. MARSHALL: (c) As recommended in recommendation No. 9, regulations will be drafted and implemented for the purposes therein set forth.

(d) The Department of Justice has been instructed to immediately review files of the Department of Public Works to ascertain the possibility of

MR. MARSHALL:

recovering monies spent in contravention of the Public Tender Act from parties to the contracts concerned. The report's observation, by the way, Mr. Speaker, concerning responsibility of third parties, that is, the general public, dealing with government to assure that the provisions of the act have been followed in relation to specific contracts are interesting and I recommend them to members for their perusal; (e) the recommendation relating to the Code of Ethics, No. 11, Mr. Speaker, has already been addressed prior to receipt of this report. One of the cardinal aims of this administration is to create a system of government which instills confidence of the people in their public institutions. For this purpose, we accept wholeheartedly Recommendation No. 12 generally suggesting that government spending procedures be made against a background of minimizing political interference.

I now come, Mr. Speaker, to the Legislative Recommendations: The Commissioner found the Public Tender Act to be, Mr. Speaker, and I quote, "a good solid piece of legislation which should continue to govern the spending practices of this Province", end of quote.

SOME HON. MEMBERS: Hear, hear!

SOME HON. MEMBERS: Oh, oh!

MR. MARSHALL: That has always been, Mr. Speaker, the fixed resolve of this -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. MARSHALL: This has always been, Mr. Speaker, the fixed resolve of this administration.

Now, on these legislative recommendations -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MARSHALL: On these legislative recommendations, Mr. Speaker, I respond on behalf of the government as follows. First of all, we concur with the rest of Recommendation No. 13 which states the circumstances wherein calling public tenders should be dispensed with and should continue to be set forth in legislation and not in regulations.

Now, Mr. Speaker, members will recall -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. MARSHALL: Members will recall during the Commission's hearings, certain individuals who styled the act to be "impractical" and "full of holes", zealously proposed as a remedy the embodiment of this important aspect of the act, indeed, all of the act, in regulations. I commend, Mr. Speaker, the lucid rejection of their views by the Commission to their attention.

Two, we concur with Recommendation No. 14 and will introduce legislation to amend the act to require tabling of a list of all contracts awarded without tender under the exceptions listed in Section 3 of the act, and the reasons therefor.

Three, in accordance with the observations of the Commission -

MR. NEARY: Table the report!

MR. SPEAKER: Order, please!

MR. MARSHALL: - the act will be amended to extend its application to leasing of space where the space being leased is greater than a defined amount and term.

Four, to avoid misinterpretations which may have occurred in the past, the act will be amended to provide change orders which are within the scope of the original contract and extensions within the scope of that contract without further tender provided the conditions of Recommendation No. 16 are met. However, as already indicated,

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MR. MARSHALL: it is felt that Cabinet should not have to approve all change orders but only those above a prescribed amount. All such change orders will be subject to approval of the Review Committee and rather than table Orders-in-Council, the minister will table all change orders or an appropriate description of same with reasons

MR. MARSHALL:

for their issuance in this House when tabling the information required to be presented under Section 3.

No. 5. As suggested by Recommendation No. 17 the act will be altered to exempt calling of tenders where the value of the public work is no less than \$1,000. In this connection, it is noted the Commissioner makes some very interesting comments upon the prior erroneous impression that tenders need not be called if the value of work is less than \$15,000.

No. 6. As an added precaution, government accepts Recommendation No. 18 to make mandatory, where public tenders are not required to be called, the Department of Public Works must take steps to ensure prices obtained are fair and reasonable and to this end Section 55(a) of the Department of Public Works and Services Act will be followed.

No. 7. Steps are being taken to clarify the respective jurisdictions of the Purchasing Agency and those under the Public Tender Act as suggested in Recommendation No. 19. It is felt, though, that this would be best accomplished after the Review Committee under Recommendation No. 1 has made its findings.

No. 8. Government intends to extend application of the act, Mr. Speaker, to government funded bodies as described in Recommendation No. 21. This great reform is going to be extended to all government funded bodies.

SOME HON. MEMBERS: Hear, hear.

MR. MARSHALL: However, this will be done, Mr. Speaker -

MR. FLIGHT: You should be ashamed of yourselves.

MR. MARSHALL: - after consultation with these bodies. -

MR. SPEAKER (Simms): Order, please!

MR. MARSHALL: - and when they have had a reasonable time to make any adjustments to their methods of operation.

No. 9. The Financial Administration Act will be amended to clarify the matter raised in Recommendation No. 22.

No. 10. Finally, it is noted the Commissioner does not recommend inclusion of any specific enforcement provisions. In his very cogent reasons for rejecting -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. MARSHALL: - inclusion of enforcement provisions on pages 196-199 of the report, the Commissioner, Mr. Speaker, effectively demolishes opposition to the act by those who maintained it was ineffective because it had "no teeth". Mr. Justice Mahoney concluded this to be too simplistic a view. To those who need and, Mr. Speaker, wish to be enlightened, I recommend these pages of the report to them. I would submit that the very fact that this Commission had to be established bears fitting witness to the effectiveness of the Public Tender Act and that it has not just teeth but very healthy fangs.

Now in conclusion, Mr. Speaker, I want to make these following remarks. In addressing himself to the value of the Public Tender Act, the Commissioner noted that much criticism had been levied against the Act and found it be unjustified. Indeed, Mr. Justice Mahoney went to great lengths to dispell contentions of those, who for one reason or another, degraded the act as 'ineffective' or 'full of loopholes'. He very convincingly laid bare the spuriousness of their claims. The Commissioner concluded the act to be what it is, a great advance towards "a system where the public can be assured that public money is being spent properly without corrupt and improper interference".

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MR. MARSHALL: The report, Mr. Speaker, constituted an enquiry into the way the previous administration implemented the Act. Regrettably, it fell short in implementing it. The reason was found by the Commissioner to be a lack of will to see the statute implemented. The bill was enacted, Mr. Speaker, but its policy was not accepted and was frustrated by those who resisted change and preferred to carry on in the old regime and practice.

This administration has shown, Mr.

Speaker -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (Simms):

Order, please!

MR. MARSHALL:

Mr. Speaker,

MR. MARSHALL: this administration has shown a fixed determination and genuine will to implement an open public tendering system. The policy of that Act has now been accepted willingly and enthusiastically by government. Government recognizes the public tender system as one of the most important means of instilling and enhancing public confidence in our political institutions which is so necessary in order to gain acceptance of the difficult decisions which this Province faces today. If there had been any doubt in anyone's mind concerning the determination of this government to implement the Public Tender Act, Mr. Speaker, these doubts must surely be allayed by government's complete acceptance of all recommendations contained in this very thoughtful and thorough report.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: And, Mr. Speaker, I have to say -

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: (Inaudible) summarize
(inaudible).

MR. MARSHALL: -that I am very proud, Mr. Speaker, to be a member of an administration who takes this particular attitude.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Mr. Simms): Order, please!

MR. MARSHALL: Mr. Speaker, this is a victory for the Public Tender Act, -

MR. NEARY: Yes, no mistake about that.

MR. MARSHALL: - and a defeat for those people who wish and are prone to wish to slur the reputation of others.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Mr. Simms): Order, please!

MR. MARSHALL: Mr. Speaker, as I table
the statement -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. MARSHALL: Mr. Speaker, as I table
the statement, with leave of the House I also table in full
the report of the Commission of Enquiry.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: (Inaudible) will have a
victory.

MR. SPEAKER: The hon. the Leader of -
Order, please! - the hon. Leader of the Opposition.

SOME HON. MEMBERS: Hear, hear!

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

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. STIRLING: I thank the President
of the Council (Mr. Marshall) for his courtesy extended to
me this morning by-or this afternoon, about ten to three-
when he sent a copy of his statement and a copy of the report.
And I think what we have just witnessed and I just glanced
through a couple of the 385 pages, and I think we have just
witnessed again what the Commissioner says on page 387 in
his report. 'I find it reprehensible that the very government
which supported the introduction of the Act and voted for
it'-

MR. THOMS: That is a familiar word, is it not?

MR. STIRLING: - 'then proceeded to ignore it for the
next three years.'

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Mr. Simms): Order, please!

MR. STIRLING: Mr. Speaker, I think it is significant again that the person who read that into the record was the President of the Council (Mr. Marshall) and no other member, because the Commission goes on to say, "I am drawn to the conclusion that the government was virtually forced by one man to introduce the Act into the House of Assembly without any real intention to enforce it after it was passed."

SOME HON. MEMBERS: Shame! Shame!

MR. STIRLING: That is why we see the same man forcing his will again, and I have no doubt whatsoever that the reason that it has taken two months to get that report, in which all twenty-two recommendations have been accepted,

MR. STIRLING: is because that same one man, that same hon. man has again forced his will on a government that is made up two-thirds - two thirds of the same Cabinet are people who were the same government that is referred to in this report -

MR. NFARY: Shame, shame.

MR. STIRLING: - that had no intention of enforcing it.

Now, I hope, Mr. Speaker, on behalf of all of us in this Province of Newfoundland and Labrador, that what we have not seen is a repeat of the same exercise in which one man has forced this government, two-thirds of which were in the old government, the previous administration. Let us put it in proper context, Mr. Speaker, Dealing with the report, on the first page, "in submitting the report, in accordance with my terms of reference which are annexed hereto. I have the honour to submit here with my report, With respect to the five specific questions in my terms of reference, which I was requested to answer, my answers are as follows; A) Question: Was there full and complete compliance with the provisions of the Public Tender Act, 1974? Answer: No. B) Question: Were the procedures relating to the use of direct purchase order forms carried out in a proper manner? Answer: No.

SOME HON. MEMBERS: Oh, oh!

MR. STIRLING: C) Question: Did the enactment of the Public Tender Act, 1974 cause the department to have fairer and more economical spending practices than prior to its enactment? Answer: If properly implemented and followed, the Act could and should have resulted in fairer and more economical spending practices. But, in fact, because the Act was not followed and largely ignored this did not occur. D) Was there any proper interference which influenced the spending - was there any improper interference which influenced the spending practices of the department?

MR. STIRLING: Answer: Yes. And then it says,
"Were the allegations contained in Paragraph 96 of the Auditor
General's Report for the financial year, March 31, 1976 correct?
Yes, subject to qualifications."

Mr. Speaker, two thirds of the people
who were in the so-called previous administration, who were
found by this Commission as having ignored the Public Tendering
Act, are now members of this Cabinet. There was one occasion,
since the Royal Commission, one occasion when the Premier of
this Province and the President of the Council (W. Marshall),
there was one occasion since this Royal Commission, when a ques-
tion was brought to their attention on which they only could make
a judgement, and that was the situation when the Public Accounts
Committee, controlled by members on the government side, four on
the government side, three on the Opposition side, presented a
unanimous report subsequent to this report, presented a unanimous
report in which they said a minister in this present administ-
ration, namely, the person who is now the Minister of Fisheries
(J. Morgan), that person, it was found unanimously by all seven
members in this House of Assembly, it was found that he had
contravened the Public Tendering Act.

SOME HON. MEMBERS:

Knowingly.

MR. L. STIRLING:

Well, both knowingly and then there was some doubt on another one. No question, this was the opportunity for the President of the Council (Mr. Marshall) and the Premier of this Province to show whether or not all of this public relations, nine pages, meant anything to them. And what did they say, Mr. Speaker? What they did, Mr. Speaker, was say that in the opinion of the Premier it was a question of judgement, he maybe had not quite done all the things that he should have done. And the President of the Council then went on television in exactly the same set of circumstances - found by his own colleagues, seven people, those on the other side and those on this side found out who had contravened the Public Tendering Act - and the President of the Council went on television and said, 'Well, that is not really their interpretation'.

So, Mr. Speaker, the people of Newfoundland and Labrador will have to wait to see whether or not a report which required twenty-two recommendations, twenty-two recommendations to be made and a government that it almost sounds like a repeat, a government being forced by one man to agree to the twenty-two recommendations, we will have to see if, in substance, it is carried out. Because, Mr. Speaker, it is not only important to the government and their reputation and their silly pride, it is important to each and every member in this House of Assembly.

SOME HON. MEMBERS:

Hear, hear!

MR. L. STIRLING:

Because every time, Mr. Speaker, that there is an indication given to the general public that there is a law for us and a law for them, it undermines our whole system. And if we were going to look up with pride and we are going to serve the people of Newfoundland and Labrador, it is as important

MR. L. STIRLING: to us on this side of the House to have government commit themselves to making sure that this time they are not just paying lip service the Public Tendering Act and that they intend, in fact, to carry out the twenty-two recommendations.

Mr. Speaker, we will be looking at this report in detail and no doubt other members and my colleagues will have something to say in the days to come.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Simms): Order, please!

Any further Statements by Ministers?

ORAL QUESTIONS

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

MR. L. STIRLING: Mr. Speaker, I have a question for the hon. the Minister of Forest Resources and Lands (Mr. Power), although I am not quite sure if it is under his control. I received a number of calls from the West Coast of the Province over the weekend relating to flooding of the Humber River in which apparently there has been a considerable amount of damage and inconvenience caused. The question I would like to ask the Minister of Forest Resources and Lands is who does have control of the Humber River system, the damming on the Humber River system, and what action has the government taken to compensate the people who have suffered this damage over the weekend and what assurance can they give them that steps will be taken so that this will never occur again?

PREMIER PECKFORD: Mr. Speaker.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I should handle that

PREMIER PECKFORD: because that has come directly to me through the Minister of Health, the member for Humber Valley (Mr. House). We have been on this matter all morning and over the weekend, the minister has been on it as well, and we have taken action as of this morning. What can we do to prevent it from happening again? I do not know if you can prevent certain floodings from happening from time to time. You cannot build up walls so high that would never happen again. But we are taking steps now. We will be waiting for reports to come in from people that we have sent out into the field. It has been under the Minister of Health whose district is the Humber Valley District. Part of it is in his district and part of it, I think, is in one of the other districts on the West Coast. Suffice it to say right now, Mr. Speaker, we are on top of the situation. We have people at the Environment Department. The Minister of Environment (Mr. Andrews) is not in his seat right now and this is why I jumped to my feet now. He has been handling it. The Department of Environment is following through on it. People are going out there and we will be getting reports, and we will be doing whatever is necessary to try to alleviate and to minimize whatever hardship that might have otherwise flown from this serious and unfortunate set of circumstances.

MR. STIRLING: A supplementary, Mr. Speaker.

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

MR. STIRLING: It has now happened. It is now past history. Would the Premier fill us in since he has the information on this? Would he tell us under whose control this dam or series of dams rests and how did it happen that this incident occurred?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I am not sure of the mechanics of it and who is ultimately responsible, that is to

PREMIER PECKFORD: be determined now by the investigation that is underway. It would be premature for me. Why would I need any kind of an investigation if in fact we knew specifically and definitively exactly who was responsible? That is what some of the investigation is about. I do not know if there were gates opened or not opened on the Humber River and whether Bowaters or somebody in their organization is responsible or not. I do not like to mention names unless we know for sure. I know, for example, there is other flooding in other places in the Province as well. I think there has been a miscalculation as to the amount of water and back up that there had been on the higher hills and around and I think most people were of the impression that there was going to be very little Spring runoff this year and the minimum amount of water that was in the upper reaches of rivers was such that the gates or whatever could be opened without causing any flooding or any kind of serious situation such as we are in right now. But we are trying to determine exactly where the responsibility lies and what action we can take to see that it does not happen anymore.

SOME HON. MEMBERS: Hear, hear!

MR. STIRLING: A supplementary, Mr. Speaker.

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

MR. STIRLING: I am still not clear, Mr. Speaker.

The question that I asked is let us assume that things are normal today. under whose department does this responsibility come, the control of the dams on the rivers in the Province of Newfoundland? Can you tell me which department is responsible for it?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: It is sort of a gray area, Mr. Speaker. I do not know if the hon. the Leader of the Opposition remembers a couple of years ago when we ran into this problem in the

PREMIER PECKFORD: Badger area, for example, when we had a serious situation there. It has happened a couple of times in Badger during the Winter when there was a shifting of ice and a build-up of ice which caused flooding. So it has been shared from time to time depending upon what government agency was active in that area. For example, at that point in time there was a fair amount of work done by the Hydro Corporation as well as the Department of Energy for obvious reasons, because Hydro was out there.

At this particular moment, right now, we have put the Department of Environment

PREMIER PECKFORD:

more or less the front line department to investigate and see what can be done. Whether there is some overlapping of jurisdictions with the Federal Government remains to be seen but that will come out over the next day or so when we get the reports in from the people who have gone to investigate.

MR. STIRLING: A supplementary, Mr. Speaker.

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

MR. STIRLING: Yes, I am still not getting an answer. I take it that the Premier does not know exactly who is responsible. What I am interested in finding out is that today if somebody - the problem he is talking about on Badger had to do with ice and natural situations. This happens to do with - actually lifting the gates. Now, under whose department is the responsibility for the control of the flow of water in our rivers? That is a straightforward, simple question.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: I am not arguing over the question or whether the question is straightforward or not straightforward. All I am saying is that there are a number of factors involved here which we have to investigate to see who in fact lifted the gates and then under whose jurisdiction it should come. Where the Government of Newfoundland is concerned right now, we have for the time being, in any case - have not looked up the various acts - put the Department of Environment as the responsible agency. Whether there is some fine tuning legislatively or legally as it relates to whether it is supposed to be that department or not, I am not prepared to say. I think the important thing from most people's points of view right now is the fact that action is being taken and we are trying to rectify and eliminate the very serious circumstance. The fine tuning and the technical question as to who specifically is responsible under a given piece of legislation, I do not think is the relevant thing right here. The relevant thing here is

PREMIER PECKFORD: that we have a problem and we are trying to solve it. We have the problem, The problem is now being solved.

AN HON. MEMBER: Hear, hear!

MR. BENNETT: Mr. Speaker.

MR. SPEAKER (Simms): The hon. member for St. Barbe.

MR. BENNETT: A question, Mr. Speaker. If evidence is available, Mr. Premier, that Bowaters are indeed negligent in their responsibility and indeed water does get out of hand and does flood, do the people of the general area have any legal right, legal protection or political protection? Do these people who live on the estuary that we are now discussing, do these people have any rights whatever as citizens of this country?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: The question is hypothetical, number one. Number two -

AN HON. MEMBER: No, it is not.

PREMIER PECKFORD: - it is very broad. Number three, therefore it is very difficult for me to give a very precise and specific answer to the import and substance of the question the hon. member asks. All I can say right now is that all individuals have given rights and communities have certain rights. We will have to wait and see who is liable and who is responsible, what legal avenues are then open to the individuals, to the council and to the Provincial Government and what compensation, if any, should be paid by whosoever to whosoever.

MR. BENNETT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the hon. the member for St. Barbe.

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MR. BENNETT: Mr. Speaker, some of the figures that I have documented myself suggest that one gate, Mr. Speaker, on the Humber, that Bowaters controls, one gate would release when opened seven thousand cubic feet per second of water. And I understand there are 6.2 gallons in a cubic foot. If you multiply that by 8 gates that were opened, you would have an enormous amount of water. I understand, Mr. Speaker, the gates were shut closed last Fall and never opened. -

MR. SPEAKER (Simms): Order, please!

The hon. member has a question.

MR. BENNETT: - all during the Winter. In view of the statement this morning, Mr. Speaker, or the recent news bulletin from the Minister of Forest Resources and Lands

MR. BENNETT:

(Mr. Power) that we have a dry season, what legal rights does a firm or a company like Bowaters - does the Province not have any control over a company, an organization, that would do this to people?

MR. SPEAKER (Simms): The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I fully understand the hon. member's question. I hope that all the water that has been summarized by the hon. member does not go to hurt people. Obviously everybody has certain responsibilities, corporations and companies as well as individuals and councils and all the rest of it. And, you know, it is a rhetorical question. Obviously there are responsibilities that must be borne by the corporations in this Province who are here to do business, like Bowaters. There is no question about that. The question is whether in fact this particular action that was taken was done in a manner, in a way which should have been foreseen, that shows neglect and so on. Obviously it was not deliberate. Obviously it was done not in the intent of hurting anybody. I mean I would not like to think that Bowaters or any of the corporations who are into the woods industry in this Province would do this kind of thing deliberately, so I guess we could easily dismiss with its motive in the sense of any intent. So that therefore there is some kind of negligence perhaps here and we have to try to determine that and that can only be done after a full and absolute investigation is considered. You cannot go throwing out accusations or allegations against the motive of anybody or the neglect of anybody until you have the facts before you. That we are doing right now.

MR. BENNETT: Mr. Speaker, a final supplementary.

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

MR. BENNETT: Mr. Speaker, as Premier will you make means available, Mr. Premier, to prevent such a happening in the future? Like we have seen in my district alone there were dollars available from your government in a flood claim to assist in alleviating the problem of flooding there and I am wondering if dollars can be made available from your government to alleviate the existing problem that we have at today's date, and indeed in the future, and if the Premier himself will intervene and go after the responsible party, namely at the time I suggest it must be Bowaters because they apparently control the water flow?

MR. SPEAKER (Simms): The hon. Premier.

PREMIER PECKFORD: Mr. Speaker, we have never been hesitant in trying to assist where hardship has existed and will do it in this case if in fact it proves to be so.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, my question is for the hon. the Premier and it has to do with the DREE agreements. I understand that the general DREE agreement, under which are all the other subsidiary agreements, expired as of the end of March, I would like to ask the hon. gentleman if the agreement has been renewed, has it been signed yet, the general agreement under which all the subsidiary agreements follow?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, we are still waiting for - DREE agreements can go on to be signed, What the hon. member is trying to say is that for some strange reason more DREE agreements cannot be signed now until something else kicks in. The GDA agreement which is in effect needs some revision and we were hoping to get that revision early on last year, before it got into this year, when most of the existing DREE agreements expired. We have been trying to arrange a meeting with Mr. De Bane now for three or four - well, longer than three or four months, for almost a year now. We thought we had a

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PREMIER PECKFORD: number of dates nailed down
when he would come to the Province because he has expressed

PREMIER PECKFORD:

an interest to come for his second meeting with us here in the Province. He has not seen fit yet to give us a date; we have been onto his office every week for the last ten or fifteen weeks to try and nail down a date and we have indicated the many, many dates that we would be available to meet with him. So we have not been able to talk about the general development agreement from which flows a whole range of other DREE agreements. However, I should make it clear that other DREE agreements can be signed in the meantime so that we can get on with the work that is necessary to do. There are now nine DREE agreements outstanding with two more pending to be submitted. So we are in a position to sit down and sign them yesterday if the Minister of DREE in Ottawa has the same feeling about it as we do.

MR. NEARY: Supplementary, Mr. Speaker.

MR. SPEAKER (Simms): Supplementary, the hon. member for LaPoile.

MR. NEARY: Mr. Speaker, would the hon. gentleman indicate whether or not the messages that were communicated to the minister responsible for DREE were in writing, where they by telephone? Who made these calls, who wrote these letters, who made these requests and is the hon. gentleman prepared to table that information in this House?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, the hon. member for LaPoile has a very short memory and I would ask him to go back to his files. On one occasion already, as Minister responsible for Intergovernmental Affairs, I have produced a paper indicating dates and correspondence on which we have been making representation to the federal government, number one. Number two, we have done it both in writing, I have done it personally in writing, and it has been done in phone calls which will be documented again. We have been waiting for

PREMIER PECKFORD: the last month or so - not making too many statements about it - in the hope that we would get this General Development agreement meeting, number one. Number two, simultaneous with that meeting would be the signing of three or four DREE agreements which have gone through the system. Unfortunately this has not come about and we are at a loss really to understand now why. I talked to Mr. De Bane on the phone as I indicated in this House a couple of weeks ago at great length when he called me several weeks ago which was supposed to be followed up within ten days with a meeting here in the Province. So most of these representations have been in writing, have been meetings with DREE officials and our own Intergovernmental Affairs people, have been letters from me to Mr. De Bane specifically with copies to the appropriate ministries, including Mr. Rompkey's office. So these representations have been substantial and are documentable, if you will, and within the next week or two in this hon. House I will be indicating just the extent and range to which these representations have been made and how civilized and reasonable they were.

MR. NEARY: Supplementary, Mr. Speaker.

MR. SPEAKER (Simms): Supplementary, the hon. member for LaPoile.

MR. NEARY: Mr. Speaker, my understanding is that there are only two DREE agreements ready to be signed - actually one is ready; that is the one for assistance for the paper companies. The Labrador Coastal Agreement is in the process but not yet ready to be signed, so really there is only one agreement. But that brings me to the all-important question; what is going to happen this year in Newfoundland? It looks as if there is going to be no road agreement. Will there be any work done on the Trans-Canada Highway this year? And what about a new road agreement, a new DREE agreement? This is of tremendous importance to

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MR. NEARY: the construction industry and the
construction workers and so forth. Will there be a continuation
of the upgrading of the Trans-Canada Highway, will there be
any work done on any secondary roads in this Province or
will there be

MR. NEARY: zero money ,new money spent on DREE roads in Newfoundland this year?

MR. SPEAKER (Mr. Simms): The hon. Premier.

PREMIER PECKFORD: Number one, Mr. Speaker, I do not know where the hon. the member for LaPoile (Mr. Neary) gets his information as it relates to how many DREE agreements are available to be signed. All I know is that there seems to be a very, very static, unstable situation in Ottawa over the last number of months as it relates to DREE.

During their budgetary process, it seems, and I have this on fairly good authority, that there was a split in the federal Cabinet as to whether DREE should stay as a department, number one. Number two, if it was to stay, that it should be done on some different basis. The federal government is intent and insistent that "perhaps we should, instead of going in with the provinces, even in places of clear provincial jurisdiction, we should be going in there 100 per cent, because right now we are doing it 90-10 and the provinces are getting all the political mileage out of it; if we did it 100 per cent we would at least get some of the political mileage. And this has been a real, real battle internally in Ottawa, so we have to throw that into the thing."

That is the background as I understand it honestly from the people I talked to who are into the process, and with the other provinces who are involved in trying to sign DREE agreements as well. That is the background. Where that is right now I do not know, I would go just so far as to give this opinion or this observation, that I think Mr. DeBane is a very frustrated man.

MR. FLIGHT: He has lots of company.

PREMIER PECKFORD: Now secondly as it relates to

PREMIER PECKFORD: - what is going to happen this year as it relates to DREE agreements to this Province, we face a very - and ministers in this government have said it over the last three or four months, I have said it myself many times - we face a very, very critical, serious situation in this Province. We are ready to sign a new TCH agreement, we are ready to sign a new secondary roads agreement, we are ready to sign the Labrador agreement, the Coastal Labrador Agreement, we are ready to sign, I hope, the Trans-Labrador Highway agreement with the secondary roads agreement, we are are to sign; we have nine of them outstanding right ready to go, bang, it will not take any more than one week to sign them all, and we have two more substantial agreements to put on the table as soon as they are out of the way, an industrial development agreement, all ready, right ready to be signed.

Finally, let me say, as it relates to secondary roads generally, the province, because of this lack of funds through the DREE agreement, has increased its own secondary roads budget this year from \$15 million to \$20 million.

MR. NEARY: A supplementary, Mr. Speaker.

MR. SPEAKER: (Mr. Simms): A final supplementary. The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, the hon. gentleman described the situation in Ottawa to be static and unstable. I would submit that that might be a more accurate description of the situation in this Province.

PREMIER PECKFORD: No, (inaudible).

MR. NEARY: If anybody is frustrated it is the hon. gentleman who just attempted to answer my question but really did not answer it. And I am going to ask him again about the Trans-Canada Highway agreement, the secondary roads, the Trans-Labrador Highway. Would it not be right to state that all these matters are merely

MR. NEARY: proposals, that indeed there have been no negotiations, that the Trans-Canada Highway proposal is just at the moment just a proposal, the Trans-Labrador Highway is merely a proposal. No negotiations have taken place. And I have evidence that I can produce in this House to show the hon. gentleman that there indeed have been no negotiations.

MR. SPEAKER (Mr. Simms): Order, please!

MR. NEARY: No, hold on now, I did not ask the question.

MR. SPEAKER: Order, please!

PREMIER PECKFORD: I thought -

MR. SPEAKER: If the hon. member has a question he should put his question.

MR. NEARY: So what I want to ask the hon. gentleman is to answer some of these statements that I just made. But in connection with the Trans-Canada Highway, would the hon. gentleman indicate whether or not Ottawa told this Province that they are prepared to do the same for this Province as they do for every other province of

MR. NEARY:

Canada and that is to enter into a fifty/fifty agreement for the upgrading of the Trans-Canada Highway? But the thing that is holding it up is that the hon. gentleman wants ninety/ten or nothing. Is that the situation as far as the Trans-Canada Highway is concerned?

MR. SPEAKER (SIMMS): The hon. the Premier.

PREMIER PECKFORD: The hon. member contradicted himself because at the one hand he said there was no negotiations going on on any DREE agreements and then he starts talking about how we have been negotiating, or fifty/fifty and ninety/ten. So he sort of crossed himself. He should have sat down while he was ahead.

Number one, let me say, Mr. Speaker, there is nobody over here who is frustrated or in anyway - we have put forward, we have developed very reasonable proposals on the Trans-Canada Highway, on the Trans-Labrador Highway, on Industrial Development. All those proposals are documented, substantiated economically and put on the table for the DREE officials and saying, 'We are ready whenever you are, here is our proposal for development in this Province, in this sector.' And we have sat down -

MR. NEARY: They are proposals, not agreements.

MR. PECKFORD: Hold on, Mr. Speaker, let me finish.

MR. SPEAKER: Order, please!

PREMIER PECKFORD: - and we have tried to negotiate.

The poor DREE officials cannot do anything more about it. We negotiate, they have to wait for guidance and direction from their peers and their superiors in Ottawa. Very little guidance has been given because there has been a problem as to what direction DREE is going to take. Now as it relates to the Trans-Canada Highway, all we have said to the federal government is we cannot, when we talk about - they say, 'you take off the Argenticia ferry, we will give you more money for the Trans-Canada Highway. You reduce your

PREMIER PECKFORD: expenditure or do not shout for more expenditures on Gander terminal or Torbay terminal and we will give you more money on the Trans-Canada Highway. And when we are talking about a Trans-Labrador Highway of \$400 or \$500 million, a Trans-Canada Highway of a couple of hundred million dollars, we cannot afford to sign these agreement fifty/fifty. We are being treated the same as a have Province when we are not a have Province. When our highway system is equal to Ontario's highway system, then we will settle for the same percentage. Until we do that, Mr. Speaker, we cannot -

MR. S. NEARY: (Inaudible).

MR. SPEAKER (Simms): Order, please!

MR. S. NEARY: (Inaudible).

MR. SPEAKER: Order, please!

PREMIER PECKFORD: Mr. Speaker, we have not -

MR. S. NEARY: (Inaudible) oil down here, is it not?

PREMIER PECKFORD: That is a false perception that you have to try to correct.

Mr. Speaker, we have got our homework done and we challenge anybody, I will challenge any member of the Opposition to go to any other Province to see whether there is any other Province that has its homework done as well as this government when it comes to dealing with the Department of DREE in Ottawa. You cannot produce the evidence. Our proposals are in, we will sign tomorrow. Where is the federal government?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

The hon. member for Port
au Port.

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Tape No. 1429

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MR. J. HODDER:

Mr. Speaker, I have a question to the Premier in the absence of the Minister of Fisheries (Mr. Morgan). Speaking of homework being done, Mr. Speaker, earlier this session the government of this Province guaranteed the lobster fishermen of this Province that they would receive \$2.05 per pound for lobster, minimum, this year. I would ask the Premier, in the

MR. HODDER:

absence of the minister what action they will take now that the price has dropped to \$1.95 per pound?

MR. SPEAKER (Simms): The hon. the Premier.

PREMIER PECKFORD: Well, Mr. Speaker, the Minister of Fisheries (Mr. Morgan), as the hon. member knows, has been working pretty hard on this over the last week or so in negotiations with the union and with the companies concerned, about the lobster prices.

Apparently there has been a flood on the Boston market in the last five or six days that was not anticipated when the original prices were set. On Friday, I think it was, the Minister of Fisheries met with the President of the Fishermen's Union and then issued a statement thereafter about what the prices of lobster should be and what the fishermen should request and not sell until they could do that. That is where it has been. I will have to get an up-date this afternoon to see what has happened as of today relative to that.

But the market in Boston and New England has dropped below the \$2.05 level, there has been some flooding of the market by certain interests, apparently. Whether it is going to be sustained over the life of this season, I do not know. But there is a problem there, the Minister of Fisheries has been on top of it, I will check with his officials later on this afternoon to see where it is right now. But we have, the Fisheries Advisory Board plus other people, been investigating to see what is a realistic price for Newfoundland fishermen for lobster. We are aware of this problem and we have been in consultation with all those concerned.

What we will do if there remains a permanent difference - I do not know

PREMIER PECKFORD: what we will do at this present moment. I will just have to check with the officials in the Department of Fisheries to see what has happened over the weekend so that I can honestly and fairly answer the specific part of the question as it relates to the difference in price.

MR. HODDER: Mr. Speaker, a supplementary question.

MR. SPEAKER (Simms): A supplementary. The hon. the member for Port au Port.

MR. HODDER: Mr. Speaker, my second question is in a Ministerial Statement here in this House earlier this year, the Minister of Fisheries (Mr. Morgan) said that he had taken an important step by issuing to all holders a shellfish licence and that 1981 licence would be conditional on the following:

The number one condition was that the minimum price paid to fishermen would be that negotiated with the Fishermen's Union, which was \$2.05. Now, that was a condition of the licence, the shellfish licence which was offered to processors this year. Now, I ask the Premier will the government now move, since that was a conditional licence on \$2.05, specifically, to take away licences from those people?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, number one, the hon. member complains about me being lengthy in answering the questions, I try to answer as fully and totally as I can when I am asked a question in this hon. House, and try to give the member for Port au Port (Mr. Hodder) as much information as I can. I regret that he takes this approach to answers that I give. I will try to be as short as I can in my answers as he is in his questions.

SOME HON. MEMBERS:

Answer the question.

PREMIER PECKFORD:

Let me get to the nub

of the question, if I may. As I understand it, over the weekend the union itself has agreed and has indicated that the price of \$2.05 might be difficult to sustain. So if the condition of the licence was based upon what the union itself had negotiated, one also has to look at where the union is on that negotiation today. Apparently they have moved off the \$2.05 in a temporary way to see whether, in fact, the prices in the free market will go up. So if the condition has to do with what the price is going to be, negotiated by the union, one has to

PREMIER PECKFORD:

look at the union as well and apparently they have agreed with the industry that some reduction temporarily might be necessary here, which therefore leaves in question whether in fact the condition on the licence is still operative.

MR. HODDER: A supplementary, Mr. Speaker.

MR. SPEAKER (Simms): A supplementary, the hon. the member for Port au Port.

MR. HODDER: Mr. Speaker, this probably points out a problem with this government, because the Minister of Fisheries (Mr. Morgan), you know, came out in no uncertain terms - when he thought the market was going to be \$2.05 per pound, he came out in no uncertain terms, jumped on the bandwagon--

MR. WHITE: He wanted it higher.

PREMIER PECKFORD: Where is the question now - the length now.

MR. STIRLING: Press release! Press release!

MR. HODDER: Well, Mr. Speaker, the most important question in this matter at the present time - and this is an important question. I am having calls from small buyers, Newfoundland buyers, not National Sea or Clear Water Lobsters, but I am having calls from small Newfoundland buyers who are saying, 'What do we do now? We are following the government's directive of paying \$2.05 a pound where all the other buyers - and we are losing money. Now, do we lose our licences?'

PREMIER PECKFORD: Is this a question now you are asking?

MR. HODDER: Yes. I will ask the Premier what answer does he have for the small buyers in this Province who now are - according to the Minister of Fisheries' statement their licence is conditional on \$2.05 a pound? They now are holding their prices at \$2.05 a pound and losing money. What would the Premier advise these people to do?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Well, Mr. Speaker, first of all, as I indicated before, I will have to check with the Department of

PREMIER PECKFORD: Fisheries today to see where that is. As I understood it on Friday, the last information I had on Friday, there was an agreement between ourselves and the union, which therefore eliminates the condition that a price less than \$2.05 would have to be paid temporarily until we see whether the markets change or whether we should take any other action. That is as I understood it. When I spoke to the Minister of Fisheries (Mr. Morgan) on Friday, he had been speaking to Mr. Cashin and that the finalization of an agreement was there whereby both the union and the Government of Newfoundland agree that the \$2.05 could not be sustained over the next few days and that, therefore, if the \$2.05 could not be sustained and the union agreed to it, that condition which had into it a union agreement, therefore would not be applicable. But I would have to confirm that later on this afternoon. In other words, therefore, the licence would not be revoked because the union had agreed that a price less than \$2.05 was the realistic price in this temporary period of a flooded market in New England. That is what I tried to tell the hon. member in the previous answer. That \$2.05 agreement was an agreement that the union had entered into. Now, if the union moves away from that, which they did on Friday, that would also change the condition.

MR. HODDER: (Inaudible). The Minister.

PREMIER PECKFORD: The member for Port au Port (Mr. Hodder) indicated in his question also that the union was involved in establishing the \$2.05. All I am saying now is the union is also involved in reducing the \$2.05.

What I am saying, Mr. Speaker, is that therefore, if in fact \$2.05 cannot be paid, obviously we are not going to revoke all the licences around the Province from buyers who are trying to buy and give as good a price as they

PREMIER PECKFORD:

can. My only caveat to all of that is simply that I have to confirm these matters because I have not had a chance today to communicate with the Department of Fisheries.

MR. HISCOCK: Mr. Speaker.

MR. SPEAKER (Simms): The hon. the member for Eagle River.

MR. HISCOCK: Mr. Speaker, my supplementary to the Premier on this matter is that seeing the Minister of Fisheries (J. Morgan) did say that 205 cents was going to be the base line for the paying of lobsters and that if the price went below that they would revoke the licenses, do the Premier and the Minister of Fisheries have any plans if the price continues to go below because the Boston market, is soft, does the government have any intention to subsidize these buyers up to \$2.05 so at least the fishermen can keep 205 cents ?

PREMIER PECKFORD: \$2.05

MR. HISCOCK: - \$2.05.

PREMIER PECKFORD: We do not talk in cents after we get to a dollar.

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Yes, but you never heard the other part of my question. If -

SOME HON. MEMBERS: Oh, oh!

PREMIER PECKFORD: - the members of the Opposition were quiet, they would have heard. I said after we get to 100 we do not talk in cents then.

AN HON. MEMBER: Oh, you do not.

PREMIER PECKFORD: On a hundred cents, we usually talk in dollars, so it is, \$2.05. At this point in time the answer to the hon. member's question is no, We are monitoring the situation, and as I indicated to a previous questioner, I will check out the details of it this afternoon. All I was aware of, and I do not think the members of the Opposition should lose sight of it, was that this \$2.05 was based upon a price that the union had

PREMIER PECKFORD: negotiated with the buyers which seemed to be a price on which one could build at the time. And the union themselves agreed with that position. For some unforeseen circumstance of flooding the market in New England, that has changed substantially so that there is a reduction from \$2.05. Whether, in fact, this Province or the Department of Fisheries or anybody else is going to be interested in subsidies to get it up to \$2.05 remains to be seen until we have more information on the problem and I have indicated that I will get more detailed information on it later on this afternoon.

MR. SPEAKER (Simms): The time for Oral Questions has expired.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

MR. SPEAKER: The hon. the Minister of Rural, Agricultural and Northern Development.

MR. GOUDIE: Mr. Speaker, last week in the hon. House, questions were raised relating to agricultural limestone and whether or not it would be supplied this year and by whom and so on. I have copies of all the relevant information which was requested, at least all of the relevant information which I remember. There was some question in my mind about whether or not members of the Opposition were objecting to the firm which was awarded the contract or to the cadmium content of the agricultural limestone involved. In any event, Mr. Speaker, the chronological listing of events leading up to the awarding of this contract was that on the 14th of November, 1979 Cabinet approved an invitation of proposals for the procurement and distribution of local limestone. On the 12th of December of that same year, there was a public

MR. GOUDIE: invitation of proposals for the procurement and distribution of local limestone and the copy of the public notice is attached. At the request of some companies intending to submit a proposal, the date for receipt of proposals was extended from 31st of January, 1980 to February 18, 1980. All persons who had requested terms of reference for the proposal invitation were advised of this and a copy of that letter is attached.

A list of the information given to persons wishing to submit a proposal is also attached. On the 18th, February, 1980 receipt of proposals, the seven proposals received are attached, or copies of them. Also a review of the proposals by the Inter-Departmental Technical Committee. On the 23rd September, 1980, approval by Cabinet to enter into a contract with Hawke Industries for the supply and distribution of bulk limestone from Daniel's Harbour and bagged limestone from the mainland.

MR. GOUDIE: I would also point out, Mr. Speaker, that that contract is not yet signed. The contract was awarded but the contract is not yet signed. It should be signed within a matter of days.

Now the additional information requested entails my reading of nine pages of information which I will do for the information of the House. Agricultural limestone is necessary for proper crop growth and fertilization utilization under the acidic soil conditions in this Province. Farmers presently use between 5,000 to 8,000 tons annually, with an average application rate of 1 to 2 tons per acre, and this total application represents less than one-third of the amount that should be applied for best crop yields.

Traditionally the majority of limestone used was in the bag form. Bagged limestone is imported from Mainland Canada, delivered in carload lots of 45 tons to the nearest rail siding or port of entry. Compared to bulk limestone, it is more expensive for farmers and government because of handling costs. The product can only be delivered to the rail sidings or ports of entry and farmers must take extra time and incur costs of \$5 to \$20 per ton to transfer it to their farms.

The railway cars dictate 45 ton lots, which are often too large for some farmers. It is not possible to ensure deliveries at the time required by farmers and both early and late deliveries result in extra cost and inefficient use of the limestone.

Many farmers requested bulk limestone because it provides significant time, labour and cost savings. Bulk limestone has been supplied from Daniel's Harbour

MR. GOUDIE: to some regional pastures and farmers since 1977. Utilization of bulk limestone has increased to where 2,930 tons were used in 1980, compared to 3,932 tons of bagged product. Deliveries to the farm in 25 ton truckloads can usually be made within one week of ordering. The farmers using the locally produced bulk product recognize the advantages and appreciate the better service and are requesting contingency supply of bulk limestone.

In late 1979 the Department of Rural, Agricultural and Northern Development called for proposals from private industry to supply and deliver local limestone to Newfoundland farmers. Seven proposals were received and evaluated by an inter-departmental technical committee, Mr. Speaker, with representatives from Agriculture, Mines and Energy, and Industrial Development. Two proposals were based on supply from Daniel's Harbour, five proposals were based on quarrying and grinding materials from quarryable sources.

The proposal by Hawke Industries was recommended based on service to be provided, cost and product quality. The main deterrent to using agricultural limestone from quarryable sources is the high capitalization involved, \$500,000 to \$750,000, relative to the relatively small quantity used in Newfoundland. In order to develop a competitive industry based on quarrying, it is estimated that utilization will have to approach 30,000 tons per annum.

Government will enter into a contract with Hawke Industries for that company to supply locally produced bulk limestone from Daniel's Harbour. Bagged limestone is also still available from Mainland sources. Government subsidizes the purchase of agricultural limestone because of its vital importance to agriculture crop production. The local

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MR. GOUDIE: supply of limestone is substitution
for traditional imports. Farmers pay \$10 per ton for bulk
limestone delivered to their farms, or \$10 per ton for bagged
limestone delivered to the nearest railway siding or port.

MR. GOUDIE: Some facts about the Daniel's Harbour limestone, and this is where there was a great deal of concern last week, Mr. Speaker.

The total neutralizing power of Daniel's Harbour limestone is higher than that of commercial imported limestone - 114 versus 108.

The particle size distribution of the Daniel's Harbour product is suitable for agricultural application and meets government size specifications.

There is an unlimited supply of the product as the mine produces about 400,000 tons per year compared to an annual agricultural utilization of less than 10,000 tons.

The extraction site is near a harbour and there is excellent opportunity for export of the limestone.

The average cost of supplying bulk Daniel's Harbour limestone to the farm was \$35.54 in 1980. This compares to an average cost of supplying bagged limestone to railsidings of \$40.62, plus transportation costs to the farm.

Daniel's Harbour limestone contains zinc (0.34 per cent) and cadmium (23.8 parts per million) at levels higher than found in imported or mosher limestone. When the limestone was first used in 1977, the contents of zinc and cadmium were identified as possible limiting factors to using the product for agricultural purposes.

However, a number of government and independent research studies have been carried out to determine the agricultural suitability of the product related to zinc and cadmium.

The zinc contents are low compared to permissible levels. Zinc is a

MR. GOUDIE: micronutrient that is commonly deficient in Newfoundland soils and therefore the amounts of the limestone probably have a beneficial effect.

In 1978 Memorial University was contracted to determine the suitability of Daniel's Harbour limestone for agricultural application related to cadmium contents by:

Determining the cadmium content of the Daniel's Harbour limestone in a statistically significant manner. Result: Statistical analysis of samples from eighty locations in the stockpile showed that there was 'no statistical difference in cadmium contents of samples taken from different areas of the stockpile or at different depths' and that the 'average cadmium content is 23.82 parts per million.'

Conducting a literature survey of cadmium in the environment. Result: It was found that there are few accepted standards for cadmium in the environment. Cadmium is presently in nearly all parts of our environment. The following levels found under normal conditions were reported.

There is a great list here, Mr. Speaker, of various areas of the environment in which cadmium is located. It might be useful to point out, for instance, that some shellfish contain from anywhere from 10 to 100 parts per million which is noticeably higher than the cadmium content of the limestone at Daniel's Harbour.

The normal daily intake of cadmium from a 'typical' American diet is about 10 to 80 ug's from sources as follows: And that is identified again. And there is some additional information here which has been provided to try and assured not only the hon. House, but members of the general public, that the proposed

MR. GOUDIE: use of limestone from Daniel's Harbour is indeed safe, the cadmium contents are at an acceptable level, and that a monitoring programme will be carried on through the months ahead.

And one very pertinent point, I think, in relation to the proposed contract is that the contract regarding use of Daniel's Harbour limestone can be terminated at any time if trends indicate that the product may be unsuitable.

So rather than go into anymore detail at this point in time, Mr. Speaker, I will table the attached information. And I am sure that if the hon. the member for LaPoile (Mr. Neary) who raised the matter initially, along with some other of his colleagues have further questions, we will try and answer them as well.

MR. SPEAKER (Simms): Further Answers to Questions for which Notice has been Given?

PETITIONS

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

MR. STIRLING: Mr. Speaker -

MR. NEARY: That is too high. That is not an acceptable level.

MR. SPEAKER: Order, please!

MR. STIRLING: - I am pleased to present a petition on behalf of 1800 residents of the town of -

MR. NEARY: (inaudible) acceptable level.

MR. SPEAKER: Order, please! Order!
The hon. the Leader of the Opposition.

MR. STIRLING: Mr. Speaker, I beg leave to present a petition on behalf of 1800 residents of the town of Bonavista in the district of Bonavista South, the

MR. STIRLING: other part of Bonavista Bay.

MR. TULK: Who represents that?

MR. STIRLING: I am disappointed that the Minister of Fisheries (Mr. Morgan) who represents the district of Bonavista South is not here today. This was hand delivered to me today and I was asked to present it in the House.

MR. STIRLING: "The residents of the town of Bonavista are dissatisfied over the fact that the town council and the provincial government are trying to push property tax on the town of Bonavista.

"We, the residents of Bonavista, are employed mainly in the fishing industry. Since the fishing season is short we are unemployed for most of the year. Consequently, our incomes are rather low. We, the residents of Bonavista, have decided to petition the government to inform them the general public of the town of Bonavista do not want property tax. We feel we are not ready for property tax."

Now, Mr. Speaker, the people of Bonavista first attempted to get their member, the Minister of Fisheries (Mr. Morgan), to attend a meeting to discuss this matter and they were told that it was not in his department and there was nothing he could do about it, the government had decided to force property tax and Bonavista was one of the towns that had no other choice. They then tried to get their member to have the Minister of Municipal Affairs (Mrs. Newhook) to come and visit and he told them that was not possible. They then contacted us and I am pleased to say that they have arranged a public meeting and I will be attending with two or three of my colleagues who have been requested to attend by the people in Bonavista.

Now what is particularly unusual, Mr. Speaker, about this petition is that it grows out of the same kind of feeling of insecurity that has spread right throughout this whole Province in rural Newfoundland and that is the fear that this PC government is going to force something on them that they were assured would never happen under Confederation and that is the possibility that because a fisherman does not have a regular weekly or monthly income that he can pay his taxes out of, because he cannot guarantee the success of the fishery, he is afraid

MR. STIRLING: that he is going to be in a position where what he sees happening in the St. John's papers as he reads the Evening Telegram and sees list after list of houses that are being sold to recover taxes, sold for taxes.

Now, Mr. Speaker, let me repeat what has been said by this side of the House. Our first act after forming the next government will be to bring in legislation that will prevent anyone from taking a person's home for taxes.

MR. WINDSOR: Irresponsible.

MR. STIRLING: Irresponsible, says the Minister of Development (Mr. Windsor), irresponsible. I think that that is a reflection of the difference, if anyone wants to know the difference between a Tory and a Liberal it is on this issue.

MR. NEARY: Social conscience.

MR. STIRLING: And that is the issue that you can use any other means you can; you can take a man's wages, you can use any of the other means, you can take him to court, but you should never be able, ever be able as a last resort if he has no other source of income, no other means of paying his property tax, you should never be able to take a person's home and put the children out on the street simply because the person has no other assets, no other means of paying it and they actually take his home and sell it. Now if you want the difference, that is the difference, Mr. Speaker, between the Tory -

MR. SPEAKER (Simms): Order, please!

The hon. leader probably is entering into debate now rather than addressing the prayer of the petition.

MR. STIRLING: I was responding to the comment made by the minister who shouted 'irresponsible' across the floor.

MR. SPEAKER: The hon. minister did not have the floor.

May 11, 1981

Tape No. 1435

SD - 3

MR. MOORES: We should take that transcript to Bonavista with us.

MR. STIRLING: I take it, Mr. Speaker -

MR. NEARY: Send the Hansard down to Bonavista .

MR. STRILING: - that this is a very unusual move that has been made because all of the lodges, the SUF and the LOL, the Odd Fellows, all of the ledges in Bonavista have gotten together and they have taken up this petition, Mr. Speaker, and it is hand written; people went all over the town of Bonavista, 1,800 names, 1,800

MR. STIRLING: people saying that we are fighting the property tax. It has not been properly explained. It has been forced on people. Mr. Speaker, they do not need to do it that way. We gave them a full year of advance warning in this House that you cannot make property tax work in rural Newfoundland. You cannot force this down their throats. We had a delegation in this morning from another part of rural Newfoundland. Mr. Speaker, I can tell you that if there is any social conscience on the other side of this House, I would ask them to pay particular attention to this particular petition because they are speaking for all of rural Newfoundland and it is significant that they first tried through their own member and through the minister, their own member who is a minister, and they have then hand delivered to me and to my colleagues on this side of the House, hoping, because they do believe, Mr. Speaker, that it matters in this House of Assembly that people can petition. And they took a lot of trouble, 1,800 individual signatures. So, Mr. Speaker, I ask that this petition be placed on the table of the House and referred to the department to which it relates, and I would encourage somebody on the other side, the Premier who dashed up on the situation on the West Coast - this is just as much a tragedy - and I hope the Premier will now get to his feet and assure the people of Bonavista that they will not lose their homes for taxes, Mr. Speaker.

MR. SPEAKER (Simms): Further petitions?

MRS. NEWHOOK: Mr. Speaker.

MR. SPEAKER: The hon. the Minister of Municipal Affairs.

MRS. NEWHOOK: I would like to inform the hon. the Leader of the Opposition that a circular is being distributed throughout the town of Bonavista now with questions and answers and giving them the information they require on property tax, and I would like to say that they did not request me to attend a meeting in Bonavista. The message that came in - and I was

MRS. NEWHOOK: out in my district and I really did not know anything about it - they asked for a senior official of my department to go out and they specifically named my deputy minister. He did go out and he held a meeting, and I think somewhere between 50 to 100 people attended. So I do feel that when the people of Bonavista, you know, get this information that they have requested that they will have a different attitude towards property tax. And their M.H.A., the hon. Mr. Morgan and myself will go out later on if necessary and meet with the different organizations if there is any further information that they require.

MR. NEARY: Mr. Speaker.

MR. SPEAKER (Simms): The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, all the crocodile tears on the part of the minister and all the little pamphlets that she is compiling to send out, questions and answers, all these things, Sir, will not stop a rebellion in Bonavista against the property tax.

I indicated in the House the other day - and the minister told me I was wrong - that there will be civil war in Bonavista if the government goes ahead with this property tax.

MR. HANCOCK: Not only Bonavista.

MR. NEARY: And that is only the beginning. There was a saying in this Province a few years ago, 'It all started in Burgeo'. Well, Mr. Speaker, this revolution could start in Bonavista, because the people are going to fight the property tax tooth and nail, for the simple reason, Mr. Speaker, they did not know anything about it. They did not know a thing about it until the assessor arrived at their door, knocked on the door and said, 'I am here to assess your property for the property tax.' 'What property tax?' the people asked.

MR. WINDSOR: The one requested by the town council.

MR. NEARY: The one requested by the town council! The town council, Mr. Speaker, had no choice. Sixty town councils in Newfoundland have no choice but to apply to have the property in their municipalities assessed.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

AN HON. MEMBER: Why do they not have any choice?

MR. NEARY: They have no choice because it is mandatory in the act that the hon. gentleman voted for a year ago. It is mandatory. Where you have -

AN HON. MEMBER: (Inaudible).

MR. NEARY: Yes, it is. I beg your pardon!

The minister does not even know that it is mandatory, Mr. Speaker. It is mandatory. When you have 50 per cent water and sewerage it is mandatory to impose the property tax.

MR. BARRY: That is right. Where they are going to get certain things.

SOME HON. MEMBERS: Oh, oh!

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

MR. NEARY: The Minister of Municipal Affairs (Mrs. Newhook) will not be running anymore so obviously, she does not care. Certainly, the member for

MR. NEARY: Bonavista South (Mr. Morgan) may be looking for re-election. He tries to portray the image of a fighter.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: He can fight for everything in the Province. He can fight against National Revenue. He can fight this and he can fight that, except, Mr. Speaker, he cannot fight for his constituents.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: And when they asked the hon. gentleman to arrange a meeting with the Minister of Municipal Affairs (Mrs. Newhook), bring the Minister of Municipal Affairs down to Bonavista and hold a meeting, the answer that he gave was that this does not come under my department and there is nothing I can do about it. That is what I was told on the telephone only three or four days ago by one of the organizers of the petition and by a spokesman for the Committee in Bonavista that is fighting this matter.

So it is going to be quite a hullabaloo, Mr. Speaker. There is going to be quite a fuss about this. And we will find out pretty soon if the government can impose a property tax or extend municipality boundaries without prior consultation with the people, without allowing the people to vote. The people of Bonavista, as well as in these other fifty-nine communities should be given the opportunity to say themselves by secret ballot, in a democratic way, whether or not they want the property tax -

AN HON. MEMBER: Right on.

MR. NEARY: - instead of it being forced on them by a crowd here in St. John's. And that is what is happening, and that is what is happening all over rural Newfoundland. The ideas are being forced on the people by

MR. NEARY: St. John's. We were told by provincial government prior to the 1979 election there would be no taxes, no increase in taxes in Newfoundland. Now what do you call this, Mr. Speaker? They are doing by the backdoor what they said they would not do by the front door. They are increasing taxes, every budget they are increasing taxes. The property tax is an increase in taxes.

MR. MOORES: A very, very high one.

MR. NEARY: Yes, it is a substantial increase in taxes. Not only that but the people in Bonavista do not like the idea of - they read the newspapers and they see it happening in St. John's every day, where there are houses put up for auction, sheriff sale, because people could not pay their municipal taxes, sheriffs' sales every day, there were seven or eight in the newspapers last week, and the people are not going to put up with it, Mr. Speaker. And I think the government is going to get the fright of its life. You are going to see an awful fight in Bonavista over this property tax that is being foisted on them by a crowd here in St. John's.

MR. SPEAKER (Mr. Simms): Further petitions?

o o o

MR. NEARY: Mr. Speaker, a point of order.

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

MR. NEARY: Mr. Speaker, on Friday I raised the matter of bodyguards standing outside the doors of the Chamber here, and Your Honour took the question under advisement. Something occurred to me over the weekend that I - maybe Your Honour might give us the ruling today, but something occurred to me over the weekend that I thought was very discourteous; I got the impression that Your Honour was not consulted that these bodyguards were being brought in to stand in the doorways

MR. NEARY: of the House of Assembly. And if that is so, I would say that that was very discourteous to Your Honour. That was the impression I got and I think I am probably right that somebody just decided, I do not know who it was, to bring the bodyguards in, practically in on the floor of the House, without any consultation with the Speaker or anybody in this hon. House. Perhaps Your Honour will give us a ruling on that today and tell us what the decision is as far as the bodyguards standing in the doorways of the House is concerned.

DR. COLLINS: To the point of order, Mr. Speaker.

MR. SPEAKER (Mr. Simms): To the same point of order?

DR. COLLINS: Yes.

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, as far as I know the gentlemen in question did not enter into the body of the House. As far as I know the public areas to the galleries in this House are available to members of the public and who may come in -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

DR. COLLINS: And as far as I know there are people who can wander up and down these corridors on invitation,

SOME HON. MEMBERS: Oh , oh!

MR. SPEAKER: Order, please!

If I might, the point of order that has been raised now really is with respect to my ruling and I have said, as I did on Friday, that I will give a ruling hopefully later on today, I am gathering some more information. And with respect to the point of order that is raised now, it is not a point of order that has been raised now. I see it as a question as to when the ruling will be coming or hopefully I will give a ruling later and I will, and that is exactly what I will

MR. SPEAKER (Mr. Simms):

be doing.

MR. NEARY:

Well, I know Your Honour is

not going to hold the ruling -

MR. SPEAKER:

Another point of order?

MR. NEARY:

- but I have to go and pick

up my young daughter. I wonder if I cannot get back on time
would Your Honour give the ruling tomorrow?

MR. SPEAKER:

Well, I will certainly hold

the ruling until the hon. member gets back from picking up
his daughter.

ORDERS OF THE DAY

MR. MARSHALL:

Motion 1.

MR. SPEAKER:

Motion 1 - Budget debate. The

last day we were on the amendment, and it was adjourned

MR. SPEAKER (Simms): by the hon. Minister of Finance
(Dr. Collins), who has approximately sixty minutes remaining.

The hon. the Minister of Finance.

SOME HON. MEMBERS: Hear, hear!

DR. COLLINS: Mr. Speaker, motion 1 reads, 'To move that the House resolve itself into a Committee of Ways and Means to consider the Raising of Supply to be granted to Her Majesty'. Now as Your Honour mentioned, we are on an amendment to that motion and it is a non-confidence motion that has been put forward by the last speaker on the opposite side, the hon. member for LaPoile (Mr. Neary). And his amendment reads as follows, 'by striking out all the words after 'that' and substituting therefore the following, 'That the House regrets that instead of the Province having control of its public debt, the public debt has control of the Province, given that the debt is tripled in the past ten years up from \$2.4 billion during that time to a total of \$3.2 billion, and the House regrets further that the people of this Province have nothing to show for such a drastic increase'.

Now, Mr. Speaker, I do not think there is any problem arguing against that motion, that amendment. But before doing so I want to make a few remarks. Mr. Speaker, there have been two speakers on the opposite side to date in what is commonly referred to as a Budget debate, that is the debate on the motion of Ways and Means. There is the hon. member for the Strait of Belle Isle (Mr. Roberts), who is the finance critic, I understand, and the hon. member for LaPoile, who brought in the non-confidence motion.

Now, Mr. Speaker, these are two difficult gentlemen to follow actually in debate. When I say that I mean it in a number of way. They are certainly very experienced parliamentarians in our House here, they both in their own way have quite a command of the rules of the House

DR. COLLINS: and the hon. member for the Strait of Belle Isle (Mr. Roberts) in particular has a very good way with words. However, Mr. Speaker, I am referring mainly to another matter when I say they are difficult to follow. And that is that in both instances their comments were most disappointing, there was so little to understand from their comments that it really makes it difficult to respond to them. I think the nature of debate in this House is that one side stimulates the other a little bit. So a point is brought up and that point is responded to and then perhaps another member on the opposite side will respond to that response and so on and so forth. And that is the very nature of debate and that makes the proceedings of this House interesting when weighty topics are up.

Now, Mr. Speaker, I am at a disadvantage in this regard because there was so little brought up that I have to almost generate all my remarks de novo, I have to start them off fresh. I do not get any help from the other side. I do not get any help from the other side. So I say that this is very disappointing. It is particularly disappointing, Mr. Speaker, because the Budget Speech and the Budget debate is second, if anything, only the Throne Speech and the Address in Reply as the main business of this House. In many respects I suppose the Budget and the Budget debate is even more important than the Throne Speech. Because it has been said a number of times the main function of this House is to vote money for services. and that is what this Budget is for. As my hon. colleague says, 'The power of the purse is very important'. So it is doubly disappointing when this very important subject comes up and I

DR. COLLINS: had the honour to deliver a very important document, the Budget Speech, that there was such little content to the comments from the other side.

Now, Mr. Speaker, I do not think that is an unfair statement and that was brought to my mind very forcibly the other day when with a few of my colleagues I had to meet with the federal Task Force from the House of Commons. And that Task Force visited here and it is going to go all across the country. It visited this Province first, start in the East and moving West, and the Task Force was composed of various members of the House of Commons, various backbenchers - there were no ministers, they were all backbenchers - the membership was drawn from each party in the House of Commons in Ottawa. The majority, as would be expected, were from the Liberal, from the official administrative party, but there were also members from the P.C. Party and members from the N.D.P.

DR. COLLINS: And, Mr. Speaker, we had about all together I suppose about four hours with them discussing specifically established programme financing and equalization, but also we ranged over a lot of matters important to the economy of this Province. And I was taken, Mr. Speaker, I was taken by the knowledge those gentlemen had, those members, the MPs had, and the way they understood our problems here, our aspirations here, our requirements here. And I was very taken with it. And as I say, Mr. Speaker, that was in sharp contrast to what one heard in response or in comment on the budget, and I found it a very disappointing thing that our Opposition members did not seem to have the same grasp or desire, or wish, or whatever one might say, to deal with the important things in our economy when the opportunity presented itself.

Now, Mr. Speaker, the hon. member for LaPoile (Mr. Neary), his comments, again, you know, it is very difficult to get anything out of him that one could respond to. His theme was very familiar. He brought up matters that were generalizations. He brought up matters that were his own unique interpretation of events that very few other people would take the same view of. A number of his comments were based on hearsay. And, Mr. Speaker, one wonders why in some respects he takes that approach, because I am sure that many members of this House heard him make the self same comments I suppose a dozen times since 1975. I know I have. Many of these comments, many of these subjects, have been thrashed to death by the hon. member opposite.

I think a good example today was when he was commenting on the petition brought in by the hon. Leader of the Opposition (Mr. Stirling), that is the one on property taxes. I mean some of his comments were so

DR. COLLINS: general, and so unreasoning in their approach. For instance, he left the impression, I think, for any dispassionate person listening, that there is a tremendous number of houses in this city every day being sold to satisfy taxes. Well I mean that is totally ridiculous. That is not the case. I am sure that if one combed through the sale of houses you could find the odd one, but I think it would be an extremely unlikely thing to find. But the impression left was that it was happening every day, it was a big issue and there were people up in arms and houses were being sold and the sheriffs were going in and, you know, it was a view that was meant to provoke but certainly not meant to enlighten.

It is a pity really that the hon. member for LaPoile (Mr. Neary) takes that approach and it is his decision that he takes this approach but I think it really is a pity.

MR. HODDER: No quorum in the House.

MR. SPEAKER (Butt): A point of order raised by the hon. member for Port au Port; we do not have a quorum.
Call in the members.

MR. SPEAKER (Butt): We have a quorum. The hon. the Minister of Finance was speaking.

The hon. the Minister of Finance.

DR. COLLINS: Thank you, Mr. Speaker.

Mr. Speaker, as I was saying, I am not too sure why the hon. member for LaPoile (S. Neary) takes that approach because I think if he took a different approach - it is up to him decide this obviously - but I think if he took a different approach he could contribute much more substantially to this Province, indeed to this House, and certainly to his own party if he took a more constructive approach rather than, in my view, the rather negative one he does take. In other words, in my view he is his own worst enemy and I should say that the hon. members opposite really need all the help they can get and I think they should try to prevail on the hon. member for LaPoile to take a different approach in his remarks and in his - or taking of debate in this House.

Now, Mr. Speaker, the other speaker, and this is a gentleman I suppose I should particularly try to respond to, difficult though it might be from the content of his remarks, was the hon. member for the Strait of Belle Isle (E. Roberts) because, as I mentioned, he is the official finance critic for members opposite. And he certainly can do it. I mean, he is a good performer in this House. There is no reason why he cannot perform very well, but a number of the things he brought up, I mean, were so outlandish and so far off the point, so ridiculous that I cannot forebear not to mention them.

For instance, he spent quite a bit of time talking about the quality of his voice, whether he was in good voice that day. Now, he was responding to

DR. COLLINS: a bit jibing, there is no doubt about that but he spent time referring to the quality of his voice. Now, what that has to do with the Budget debate, I do not know. He then went into name-calling. I think he brought up a new one that I do not know if it was in our lexicon in this House before, pooh-bah, I do not know what a pooh-bah is. But anyway, he seemed to be taking a great fancy to it and he went on about that. He then compared his appearances to the hon. member for St. John's North (J. Carter) as to who was the more attractive. I have no difficulty in giving my choice in that but why he wanted to bring up the subject is beyond me.

We also had some remarks about his law practice and how he compared with the law practice for the hon. member for Stephenville (F. Stagg). I believe at one point in time he sang a hymn, I think he has the advantage on me there, and a number of other things. I think he also mentioned that he had a great number of friends in other Provinces and that was supposed to be germane to the Budget Speech.

So, it seemed that they had so little to comment on in regards to the Budget. In other words, the Budget in actual fact was such a good document and was a document so attuned to the situation as pertains in this Province at the present time that they had arranged all over the shop to bring in these irrelevant matters because they had nothing else to comment on.

Now, I think the hon. member for the Straits of Belle Isle (E. Roberts) again in that respect, does himself less than justice, that he at one time used to be the Leader over there. I think that he does himself less than justice. If he took another approach, he too could contribute more and I would say that the party opposite might have been well served if he still retained that former position.

DR. COLLINS: Mr. Speaker, I have tried - I read the remarks of both members. Not only did I hear them here but I also read them in Hansard to make sure that there were some matters that I should comment on and there were a number, a small number but there were a number.

Mr. Speaker, one of the ones and, of course, hon. members understand that the Budget debate ranges quite widely over many topics, there are almost no holes barred, and one of the ones that was brought up was the constitution. Now, the Budget Speech itself did not deal with the constitution except in a very peripheral way. But, as I say, that did not prevent members from commenting on the constitution and they did. Now, some of the comments, I wish to take issue with and that is why I latched onto that one.

For instance, I do not know if hon. members

DR. COLLINS:

remember, and I sometimes wonder if the people of this Province remember, the First Ministers' Conference on the constitution sometime there last August. It was televised from Ottawa and it was televised, I believe, for the whole two days it was on. I had the privilege of being there in an advisory capacity on our side, and I found it most interesting and I am sure that at the time the people of this country found it interesting. But I think their memories are short because one of the main things that came out of that, and it was commented on at the time, but, as I say, I think the memory is lost now, was that the first day and a half were so good it looked as though the constitutional argument was really going to get somewhere, the comments there made by reporters, the comments made in the press and so on showed that there was tremendous progress being made. And, of course, this was the period when the various provincial positions were being put forward and our own provincial positions included by the hon. the Premier. And it looked a very, very hopeful thing, indeed it seemed that this was going to wind up practically all the points that were at issue. That was the way it looked.

Mr. Speaker, in the last half day of that two day session the whole thing came crashing down and at the end of the two days everyone was saying the conference has accomplished nothing. Now, Mr. Speaker, why was that? And this is where I think people's memories are faulty. But certainly mine is not faulty because it made a very deep impression on me. In the last half day the Prime Minister of Canada had his turn, and his performance was a remarkable one but it was remarkable in this extent, that it turned what everyone perceived as being a very successful, very contributory conference into a total disaster, into chaos.

DR. COLLINS: Now, I think the press would serve the people of this Province well if they would resurrect those tapes and play the whole thing all over again, even two days of it, just so the people can remember where the constitutional process broke down, who broke it down, who was determined that it would not succeed. And indeed, Mr. Speaker, you will recall that at that time a document was circulated, a document that had been evolved by the secretariat related to the federal government that laid out that scenario very precisely. It was a disgraceful document, it was a totally disgraceful document, totally a cynical, destructive type of document and so the conference went as that document, as that strategy document advised and, indeed, almost foretold.

Now, Mr. Speaker, I hope the people of this Province remember that that the constitutional debate at that time looked as though it was going to be very successful and in short order and it collapsed. And we, in this Province had a large stake in that constitutional debate in terms of many aspects that I will mention as I go along. But the thing to remember is that it was not the provinces, and certainly not this Province and indeed not any of the provinces, that brought that First Ministers' Conference to its knees, it was brought to its knees by one man and one man only and that was the Prime Minister of this country.

Now, Mr. Speaker, the hon. member for the Strait of Belle Isle (Mr. Roberts), and he is not here today which is not my fault, it is unfortunate that he is not, I do not hesitate to comment on his remarks just because he is not here, but he said that the provincial position, and I think I am quoting him fairly accurately, the provincial position in terms of the conference would weaken the federal government, that if the view that was put forward by the provinces and also by this Province, in isolation,

DR. COLLINS: if that prevailed, that the federal government would be a weaker government, that we would have a less strong central government than we have at the present time. Now, Mr. Speaker, that cannot be supported. There is absolutely no support for that. The positions put forward by this Province and by all the provinces, would not take one iota of strength away from the central authority. It would not detract from it by one little jot. As a matter of fact, we were setting out to confirm the jurisdiction that the federal government had

DR. COLLINS: under the BNA Act, the written Constitution of Canada. And I say this even though we were asking that there be a change. For instance, in fisheries, we asked there would be some sort of concurrent authority in terms of fisheries. Now, I contend, Mr. Speaker, that even that was not diminishing federal responsibility or federal strength, because as my hon. friend, the hon. the Minister of Labour and Manpower (Mr. Dinn) has pointed out, that is already in place in terms of the Province of Quebec, and indeed, it works so well there that if we had the same in this Province - it works so well in Quebec and presumably it would work the same here - it would actually strengthen the federal input into fisheries management.

Mr. Speaker, rather than aiming at weakening the federal government, what the provinces were doing was to underline and to clarify and to strengthen what is the common perception of Canada, that is, that there are two areas of jurisdiction in this Province, there is a federal one and there is the provincial area of jurisdiction. And what the provinces' position was was to clarify those two areas of responsibility and hence make the government of our country and its various parts work even better. We were not there to weaken the federal government, indeed, in many respects, we were not there to strengthen the provincial governments, it was to permit the provincial government to perform its constitutional duties, its constitutional responsibilities in a better fashion.

Now, Mr. Speaker, I found it most interesting in that regard, in the federal view as opposed to the provincial view of the constitutional positions taken. And I was interested to hear and to read some of the remarks that passed between the counsels for those supporting the federal position before the Supreme Court of Canada. In the Globe and Mail recently there was an account of what went on,

DR. COLLINS: and I think some of the points there are most enlightening. For instance, one of the federal counsellors, Mr. Michel, Robert - he is a federal lawyer - was commenting on what would happen if the federal view took over, if the federal approach on the Constitution took over, and one of the remarks he made, he said, 'Taken to the extreme, the federal Parliament has the right to request the British Parliament to change Canada into a unitary state and abolish the provincial governments.' Now, this was stated by a federal lawyer, by a lawyer for the federal cause. It was stated before the Supreme Court of Canada. We have no reason to doubt that that is not the federal position. It was published in a very reputable newspaper, the Globe and Mail, in fact, so we have to presume that that is what the federal lawyer said, that the federal government has the power to abolish the provincial governments and to turn this into a unitarian state.

Now, there was a comment at that point made by one of the judges, Mr. Justice Brian Dickson. His comment was, 'Is it not a strange federal system, in which one of the parties can unilaterally alter the powers of the other without the consent of the other?' Now, that was a judge in the Supreme Court who asked that having heard that comment from the federal side, and the federal side said, 'You know, this is the way we view our power, that we do not have to pay any attention to the provincial governments, to the desires of people who vote in provincial governments, we can abolish them and we can turn this into a federal state.' And one of the Justices says, 'Is that not a strange type of federal system you are talking about, that in a federal system one order of government can just abolish the other? Is that not strange?' And I wonder if the people of this Province would not echo the comment of that judge? Are they not saying to themselves, 'Is it not very strange that the federal government feels it is in such a powerful position that it can abolish the rest

DR. COLLINS: of us?' I would suggest that that is the way the people of this Province would regard that view.

Mr. Speaker, the Province of Ontario supports the federal position on the constitution, and the Attorney General of the Province of Ontario, Mr. McMurtry, actually appeared before the Supreme Court of Canada. And this is what was reported about that gentleman in the same article: "Mr. McMurtry backed the federal case to the hilt, saying that whilst he was

DR. COLLINS:

aware of the "concern and incredulity that one level could impose its will this way on the other in a federal system, it is, in Ontario's view completely legal and the result of a most unique anomaly. It is clearly not a happy or desirable circumstance for the provinces, but in our submission" - that is Ontario's submission - "it is clearly the law."

Now, again, the federal position, or at least the position taken by the Ontario government, supportive of the federal position. He said, 'Now this is a most unhappy thing. I am incredulous that it can be so, but I am afraid that in our view it is just a little quirk of some sort and we have to live by it'. So they are implying that this is what our whole federal system is based on, it is based upon - what did he call it? - a unique anomaly, some quirk, some little legal entanglement. And that is our federal system.

Now, that was commented on also by one of the judges of the Supreme Court, Mr. Justice Ronald Martland, and he asked Mr. McMurtry whether Ontario agreed with the proposition that the federal government can cause an address to be taken to London which could curtail or completely deprive a province of its legislative powers. Mr. McMurtry said he agreed with that. So he shares the same view as the federal government, that it is all right, the federal government can just take away all the legislative powers of the provinces.

Now, is that what the people of this Province regard as a proper exercise or the proper thing, that the federal government should have such power?

Now, he went on and he said, 'There is no question that reasonable consensus'

DR. COLLINS: that is reasonable
consensus between the federal government and the provinces,
'is an inherent element of federalism, generally speaking.'
But he also said, 'Unilateralism might be incompatible
with the theory of federalism'. So even though he
supports it, he knows, or at least he implies that he
believes that it is incompatible, an indefensible situation

Now, Mr. Speaker, in the
article in question the reporter sums up the two sides this
way: He says the federal argument is based on the
proposition that Canada is otherwise sovereign but
Britain has full legal authority over the Canadian
constitution. Now the provincial position, on the other
hand, is that Canada has been completely sovereign for
more than fifty years with divided federal/provincial
legal authority and that the British role is only a
technical one.

Now, which, Mr. Speaker, I
ask, is, in your view, the usual understanding of the
average Canadian? Does the average Canadian feel that
Canada is a sovereign nation and has been so for fifty
years, that is since the statute of Westminster, and that
we have a federal system where there is federal jurisdiction
and that there is provincial jurisdiction and that the fact
that you have to get an amendment to the constitution by
going to Westminster and that is just merely a technical
act? I suggest, Mr. Speaker, that that is the general
view of Canada, held by Canadians. In other words, that
the provincial view of the constitution is the one that
is popularly held.

AN HON. MEMBER: Hear, hear!

MR. STIRLING: Is the minister speaking —
are we now on the constitution.

DR. COLLINS: We are on the budget debate.
which is a very wide-ranging debate.

MR. DINN:

He does not like us to
be on the constitution.

DR. COLLINS:

Right, because they feel
they are on very weak grounds, especially in this Province.

Now, Mr. Speaker, another
remark that I really regretted to hear, another remark
made the hon. the member for the Strait of Belle Isle
(Mr. Roberts). The hon. member said that the hon. the
Premier is widely quoted - he made the remark - that he
prefers the view of René Levesque to Canada than Mr.
Trudeau's view of Quebec. Now, Mr. Speaker, that in a
very narrow context may be literally true. But, Mr.
Speaker, I happened to be in the presence of the
Premier when this remark was made in open forum there.
And, Mr. Speaker, if one went back to the record there
is absolutely no doubt whatever that the point the Premier
was making was that it is not that Premier Levesque's
view of Canada is so good, but it is that Mr. Trudeau's
view of Canada is so bad, that his view of Canada is so
bad, so restrictive, so centralist, so outside the usual
perception of what Canada is that it is even worse than
Mr. Levesque's view. Now, that was clearly the context

DR. COLLINS: in which the Premier made his comment.

And to try and put it in any other context, Mr. Speaker, is most misleading. And I must say I agree with the Premier's comment, because if Mr. Levesque was trying to alter Canada by taking one province out of Canada, what Mr. Trudeau is clearly doing is he going to abolish all provinces, that he is trying to push the view that the federal government has the authority to abolish all provinces.

SOME HON. MEMBERS: Oh, oh!

DR. COLLINS: Now, I would prefer to see Canada with one province out of it than with the federal government abolishing all provinces. And I clearly state that in that context that I would prefer Mr. Levesque's view of Canada.

SOME HON. MEMBERS: Oh, oh!

DR. COLLINS: The next point that was brought up in some degree by both members was the matter of collective bargaining, and, of course, this was brought up at a time when there were matters going on which were of concern to government. Mr. Speaker, the first point I would like to make in speaking on this is that we on this side have absolutely no problem with the collective bargaining process resulting in strike action. We feel that this is a democratic right -

SOME HON. MEMBERS: Hear, hear!

DR. COLLINS: - that the workers have that was given to them in the public service by this side, by a PC administration, and we think that was a progressive move-

AN HON. MEMBER: We are proud of it.

DR. COLLINS: - and we are proud of it, and we will sustain it as long as it is the wish of the people of this Province.

DR. COLLINS: But, Mr. Speaker, it works both ways. If the workers have a democratic right to make their case by ceasing work, by going on strike, clearly government also has a democratic right to make its view a very strong one and to go to the public and state what its view is, the way we regard that particular action. And it was implied by the hon. member from the Strait of Belle Isle (Mr. Roberts) when he spoke, I believe, and I think I am accurate, not in quoting him but in giving the sense of his remarks, that he stated that government was wrong in taking a position and trying to use the collective bargaining process to have its position prevailed. Now that is incorrect, Mr. Speaker. If the other side can take very strong action to win the day, surely government has a similar democratic right if it takes a responsible position to use strong action, in other words, to stand firm in trying to win the day. And we do that because this is a position that we feel is a defensible one. It is not bad faith for us to take positions like that, it is our democratic right as much as it is their democratic right.

Mr. Speaker, I would just like to make a few other comments about the collective bargaining process which, of course, is an ongoing process. It will always be with us, I suppose. There will always be some sort of a dispute between some unit in the public service and the administration because the public service is now such a large organization, there are so many collective bargaining units in it. But I would like to make this comment, and I have made it before, in regard to the strikes that were in place at the College of Trades and Technology and the Workers' Compensation Board. I think the workers over there behaved very, very responsibly. There were a few minor incidents but in a strike of that

DR. COLLINS: length, and where views were strongly held on both sides, it was not unforeseen that there might be a few incidents but there were very few, there were very few. The workers over there are to be complimented.

Mr. Speaker, another point I would like to make, and, as I say, collective bargaining is almost a continuous process, I think we should always remember not only the ones that are at issue at any particular time which tend to grab the attention and grab the headlines and so on, but we also remember the settlements that have gone past, the settlements that have been reached. And we have settlements reached in the general service, we have settlements reached in the MOS group, Maintenance Operations Group, we have settlements reached with Farm Products,

DR. J. COLLINS: we have settlements reached with certain housing corporations, collective bargainings, we have settlements reached with some units in the public library area. In other words, Mr. Speaker, we have achieved settlements in a large number of instances and comprising a large number of workers. So I think that it is important to view that the one that is in dispute now is not the only settlement. This government has been successful, fortunately, in reaching a large number of settlements to date and hopefully we will go on to do so in the future.

Mr. Speaker, at this point in time the real issue before us is this: That government revenues, as the Budget pointed out, government revenues in this year 1981/1982, are estimated to rise by just over 10 per cent, 10.3 per cent I think it is. That is where our revenues will increase, to that degree. Now, Mr. Speaker, approximately 45 per cent of all expenditure allocations are on salaries. And I do not think one has to be a mathematical genius to say that if your revenues are going up by 10 per cent and 45 per cent of your expenditures go up by perhaps double that, if not double it, by an appreciable extent more, the other 55 per cent of your expenditures have to go down. And what expenditures are included in that 55 per cent group? I will tell you what they are, Mr. Speaker. They are the maintenance to schools, they are the operations of hospitals, they are such things as social assistance payments and benefits. They are things like grants to various organizations, including grants to Memorial University, and so on and so forth. One can read the Budget and see what they are. But it is an inescapable fact that if your revenues go up by a certain amount and you push one aspect of your

DR. J. COLLINS: expenditures up by an excessive amount, an excessive amount over what your revenues are gone up, over that percentage your revenues are gone up, the other parts have to go down.

SOME HON. MEMBERS: Oh, oh!

DR. J. COLLINS: Now, if we had a lot of flexibility, as some jurisdictions and some governments have - I think the hon. Leader of the Opposition (Mr. Stirling) has got that point. I am glad to see he is beginning to understand a little bit about how government works, how budgets work and so on. I think he has got that point and I am pleased that he has done so.

SOME HON. MEMBERS: Oh, oh!

DR. J. COLLINS: But that is the point, Mr. Speaker, that we in this Province are using the revenues available to us, I will not say 100 per cent perfect because that would be unrealistic, nothing in this life and nothing ever in this life will be 100 per cent perfect, but I suggest that we are using the revenues available to us extremely responsibly and we have not our own words to judge in that regard, we have that from many aspects of the financial community and we have to pay attention to the financial community. If we are using our expenditures and our revenues in a very high degree of responsibility, clearly, if you allow one part of your expenditures to outrun your revenue gains, well, you are going to get in trouble with the part of your expenditures that do not outrun your revenue gains. So that is the crunch situation we are in. That is the important point. It is clear we are in a downturn. The Canadian economy, indeed the world economy is in a downturn, you know, one has to just face the issues. We are in a downturn. These are not the days of the sixties and seventies when the sky seemed to be the limit and, you know, everything was onward and upward.

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DR. J. COLLINS: We are in a period of downturn. It will go up again without any doubt. It will go up again and hopefully soon. But at this point in time we are in downturn and we have to face that reality. It is putting one's head in the sand, it is pulling the blanket over one's head, it is closing one's eyes to what is going on if one does not realize that that is the reality of the situation.

DR. COLLINS: Now, Mr. Speaker, I have made this comment before. You know, government has to take that hard position because you should not be in government unless you are responsible. But I suggest, Mr. Speaker, that the Opposition also has a responsibility in this area. They are knowledgeable, more so than perhaps the ordinary man in the street, perhaps even more so than the individual worker in a collective bargaining unit, they have more knowledge of what is going on and they too should not go too far in opposing what should not be opposed. In other words, taking simplistic views, resisting the putting forward of reasonable cases. I am not saying that the Opposition should not oppose, surely they should, but they should not take positions that are one dimensional. They should have a broad view of what government is all about and realize that it is misleading the people of this Province and it is doing no one any good to come up with simplistic things that give them what they want and get on with it and let us not have any disruption of this, that and the other thing, you know, life and certainly government are not as simple as that. And I suggest that the Opposition have a responsibility not to lead people to think that that is the case.

Now, Mr. Speaker, the next subject I wish to go to is the offshore because the hon. member for the Strait of Bell Isle (Mr. Roberts) commented on the offshore situation also. He spent some considerable time on it. I do not know if he came out with anything very new. I do not know if he really brought up anything that I have to respond to in any great depth, but he certainly did comment on it so I wish to just look at some of the remarks he made.

One of the remarks he made, he said that government should not review the offshore question, the question of offshore jurisdiction, as part of the constitutional process. Because this is what we have said, 'This matter is under

DR. COLLINS: discussion, it is under negotiation with the federal government because we have been discussing it and negotiating it in the context of the constitution. And the hon. member for the Strait of Belle Isle (Mr. Roberts) was saying that, no government is not discussing, it is not negotiating and he will not take the view that you are doing that seriously if you are doing it in a constitutional context. Well, Mr. Speaker, that could not be further from the truth as far we are concerned, because in our view the offshore jurisdiction is very much a part of the constitutional question, it is very much so. Our view is that the constitution should speak to the offshore natural resources in exactly the same manner that the constitution should speak to the onshore, to the land based natural resources. There should be no difference. That is the view we are putting forward, that the natural resources of this Province, just because they happen to be covered by a number of feet of salt water, should not be regarded constitutionally in a different light than the natural resources of Saskatchewan or Alberta or B.C. or wherever, Quebec or wherever, just because they do not happen to be covered by salt water but are on land. And indeed, Mr. Speaker, some of the natural resources of the Province of Ontario are covered by fresh water and they are regarded exactly the same as the natural resources on land in, say, Alberta.

And our position on the constitution in this regard is that it is very much a constitutional question, that our natural resources, just because they have salt water over them should not be reviewed differently. So we take issue with the hon. Leader - the hon. member for the Strait of Belle Isle's (Mr. Roberts) position on that.

MR. STAGG: A Freudian slip there, calling him the hon. leader.

DR. COLLINS:

Absolutely. Well, it comes out every once in a while.

Now, Mr. Speaker, in quite practical terms in regard to the offshore our position, the position of the provincial government, is this that those resources out there should be developed primarily for the people of this Province. That is the primary consideration. Now, that is not to say that others will not benefit, because we have made it quite clear we are willing to share with the rest of Canada. But the main thrust must be primarily for the people of this Province as, indeed, we feel it would be irresponsible for the Alberta government not to develop their natural resources primarily for Albertans, sharing and giving benefits to the rest of the Country, that the people of Ontario with their natural resources should develop them primarily for Ontarians but share them with the rest of the country, that

DR. COLLINS:

the people of Quebec should develop their natural resources primarily for the people in Quebec but allowing sharing with the country. We take no different view of ourselves than any other province, but we make that point that our resources should have as a first, prime consideration the welfare of the people in this Province. It would be irresponsible, it would be a negation of rationality to take another view in the Canadian context because the Canadian constitution says that natural resources are owned by the provinces and they have control over them. So, it would be irrational to have something, to own something and control it and to develop it for someone else. That is just irrational and that is what the Canadian constitution says.

Now, the federal position is different from that. The federal position says that natural resources offshore should not be developed primarily for the benefit of the province. The federal position is that this is a national resource, that it should be developed primarily for the nation.

MR. STAGG: It is a Liberal resource.

DR. COLLINS: Yes.

Now, Mr. Speaker, you cannot have it both ways. If the federal position is that the offshore natural resources must be a national resource developed primarily for the nation, they are saying, in effect, that they should not be developed primarily for this Province. In other words, our resources should be developed primarily for someone else, not for us. Now that is the federal position.

MR. STIRLING: (Inaudible).

DR. COLLINS: That is the federal position which is in stark contrast to ours, that we are not developing our natural resources primarily for others. We are developing them primarily for the people of this Province and we will

DR. COLLINS: share the benefits with others, and if the federal government feels that our natural resources should be developed primarily for others, that is the others in the nation, and that we get a bit of spin-off or whatever, well, they are never going to have that position accepted by this government.

Now, Mr. Speaker, I think we have had experience in this Province, we have had experience in this Province, if the federal view did prevail. I think that historically and, indeed, it is held by many Newfoundlanders now that our fishery is really our resource. The fishery off our shore is our resource. Well, you know, this is why Newfoundland is here, this is why the people dotted the coast of our Province, that it was purely and simply for our fishery resource. So there was a proprietary view taken of our fishery offshore. Now, Mr. Speaker, that resource passed from our hands. When we joined Canada that resource passed from our hands. It became a national responsibility. It became a national natural resource. And, Mr. Speaker, we know what happened to the fisheries, in terms of this Province, what happened following that. We found that the fishery almost died in this Province, that the fishery did go to someone else's benefit - there is no doubt about it, other people benefitted from it - but this Province not only did not benefit but what it did have declined. So we have some considerable concern about our natural resources passing into federal hands so that it becomes a national resource because we already have experienced what happened when that occurred with the fisheries, and I am not only talking about what happened in the sixties when our natural resource was traded off, for whatever reason, to foreign nations and so on and they - to use the term that is used - they raped the fisheries out there, I am not only referring to that, I am referring to what is happening now where,

DR. COLLINS: to some extent, our natural resource, Newfoundlanders think is their natural resource, i.e., the fishery, is now tending to be traded off to other provinces, our neighbour province, Nova Scotia. We have concerns that what was the raison d'être of this Province, the fishery, should - at one time we traded off to foreign nations, to our great detriment, and now that that was finally put a stop to, when the 200-mile economic zone came in, now there is some tendency, because again it is looked upon as a national resource, now it should be traded off to some other provinces. And we have considerable concern in that.

Now, Mr. Speaker, I think when the Prime Minister was down here he said that the Province will get the same in terms of the offshore resource as Alberta gets. Now, on the surface of it that sounds rather good, but the Premier has already made the point that that is not an accurate reflection of the situation. Our resource offshore is not the same as the Alberta resource. The Alberta resource is a high-profit resource. You do not have to spend much money to get the hydrocarbons out of the ground in Alberta. It is a high-

DR. COLLINS: profit resource and, therefore, you can afford to, shall we say, put all your eggs in one basket and say, 'I am going to go for the profit side of it.' Our resource out here is not high profit, it likely will not be a high profit resource, there is a very high extraction cost offshore. The marginal profit is going to be relatively small, it will not nearly approach the profit margin that pertains to Alberta. Now, what does that mean, Mr. Speaker? It means that if we rely purely on a revenue split, that we will not get many benefits offshore and the Petroleum Discretionary has displayed that many times. It has shown that in a twenty year development period - there are only three years in that whole development period when the benefits on a straight revenue will balance out equalization payments. It is a fairly, looking at the Hibernia resource, it is a fairly very helpful, very welcome, but it is not a very big resource in that respect. So where are the benefits going to come from? Mr. Speaker, the benefits are going to come to this province, firstly, from the spin-off industries and the spin-off activities that come from offshore and, secondly, they are going to come from the extractive process itself. If we lose out on those two, our offshore resources will be fairly I would not say marginal, but certainly not very great. And, now, could that happen? I say yes, Mr. Speaker, those extractive activities, those spin-off activities, could pass this Province by. If this Province does not have control of what is going on out there, it could be developed purely in tankers out there, or it could be developed from other areas such as Nova Scotia and so on. It is most important, it is most important, if this Province is to get anywhere near an adequate return from the vast natural resources on the Grand Bank, that we control the situation such that we ensure spin-off is in this province and not elsewhere, that we ensure that the benefits coming from the extractive process itself do not take place in New Orleans or down on Eastern Seaboard or in Nova Scotia or whatever, that they take place here, that they are based here.

DR. COLLINS: And if we do not watch out it will pass us by as so many of our resources in the past has passed us by, and this government will never sell out our resources again in that regard.

DR. COLLINS: Mr. Speaker, the other question that came up is how should this question, this dispute between the federal government and the provincial, how should it be settled? And the hon. member for the Strait of Belle Isle (Mr. Roberts) very strongly pushed; this should be a court action; there is not doubt about it. That is the way- why do you not go to court? - and that is the end of it. Now, Mr. Speaker, our view is that this is not essentially a matter to be settled by the courts, that this is a matter to be settled by the political process and then to be imbedded in the constitutional side of things. That is the way that this should be settled. A court resolution of this would be, at most, a very second - best attitude on this. And I might say, Mr. Speaker, that in terms of leadership, in terms of leadership, the leadership who wishes this to be settled in court is, Mr. Trudeau, but the leaderships who feel that the Province of Newfoundland should not have to go to court over this, that it should be settled at the political level and then go into the constitution, is shared by the leadership of the Progressive Conservative Party and also by the leadership of the NDP Party. The leadership of the Liberal Party in the person, of Mr. Trudeau, is the odd man out in this regard. He is the only one, like so many rigid positions - he is the only one taking this view. The PC Party, the NDP Party and, I might add, Mr. Speaker, without exception - I would not say without exception, with the possible exception, but I do not even think that this is absolutely true, with exception of Ontario and New Brunswick, all the other provinces, all the provincial governments feel that this also should be settled on the political basis and on the constitutional basis. It should not - the primary move should not be a court action.

MR. COLLINS: Now, Mr. Speaker, as we do not take it as a hopeless expectation that this will, that this jurisdiction will be settled in the political context. We take a very hopeful view that it will be settled in the political context. And I am most pleased to see that Mr. Trudeau, when he was down here, seemed to be nibbling at this as a sensible way to go.

Now, Mr. Speaker, the reason why we are hopeful, is this, that we see one man, one man, one leadership standing in the way of what everyone else accepts as the way to go.

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DR. COLLINS: But by the very nature of things, that one man will not always be in that position, by the very nature of things he will not always be in that position. And when he passes from that position we would expect that things would be more logical and more consistent with the way we look at things. Now, Mr. Speaker, we do not even depend on that though because we do not know when Mr. Trudeau will no longer be in the position he is in. We also take the view, and we have evidence to show, that Mr. Trudeau is not above changing his mind, his whole behaviour in government has been one of being extremely erratic, a very erratic leader. He takes one position at one time and finally, when the disasters flowing from that position come to view, he will take a diametrically opposed position. I do not have to bring to members minds the price and wages policy thing. But if you look at other things, you would recall when Mr. Trudeau was first elected, he was elected on the just society approach, the just society. We know what the just society came to, it led to violence, it led to the acceptance of homosexuality in the Canadian society, it led to the expansion of pornographic material in Canadian society, it led to a vast increase in abortions in Canadian society. Mr. Trudeau's perception of a just society had, at least and in my view, many more detrimental aspects to it than any conceivable beneficial effects. Mr. Trudeau also campaigned at one time on the theme, this land is strong, this land is strong, implying that the economy was strong. Not that the earth was strong or the trees were strong but the economy was strong. Mr. Speaker, we know what happened after that, we know what happened to the debt of this

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DR. COLLINS: country, we know what happened to the current account deficit in this country, we know what has happened to the inflation in this country. The minute the Prime Minister said 'This land is strong', we could have said 'Well, we are in for big troubles' and that has turned out to be the case. Now Mr. Speaker, the same way in regard to separation and it might be thought that, well, now here surely is something that the Prime Minister was successful on, at least he was consistent and non-erratic in this area. Mr. Speaker, I suggest that that -

MR. SPEAKER (Sutt): The hon. member has five minutes.

DR. COLLINS: - has yet to be proven. I suggest that to some extent the anti-separation vote in Quebec was achieved by something of a subterfuge. The people of Quebec, when they voted against separation, felt that there was going to be a new Canada and they were thinking not of the new Canada that has been put forward since then by the federal government because they are against it, their provincial government is against it, editorial comment almost right across the board is against the federal position, they were, I will not say misled, but they were certainly allowed to perceive that it would be very different from the way it has turned out to be and I suggest, Mr. Speaker, that that may yet come back to haunt this country, that the people in Quebec were led to believe something other than what happened after they voted against leaving this country. I suggest that that may yet come back to haunt this country, that they will take a different view of the leadership in this country who could do that to them. Mr. Speaker, the Bill of Rights; Mr. Trudeau is very high on the Bill of Rights. Now, I think we will have to recall that the

DR. COLLINS: Bill of Rights is not in the British tradition. Our parliamentary system is in the British tradition. The British tradition do not have a Bill of Rights in their constitution, they have bills and things, it it in the other types of tradition. For instance, it is in the American tradition to have an entrenched Bill of Rights and I hope that hon. members in this House some time will take the time to read a book that was published recently called the Brethern which spoke of the Supreme Court in the United States as it deals with the constitutional question. And, Mr. Speaker, it is enough to raise the hair on the back of your neck, how important issues are decided on the basis of written Bills of Rights and the machinations, the mental machinations that had to be gone through and the end result of many of these machinations. They get the most ridiculous things. I just want to mention one that came out, and this case is being heard, I think, out in California now and on the basis of the Bill of Rights, the rights of an individual in the Bill of Rights entrenched in the American constitution, there is someone in California suing

DR. J. COLLINS: the Boy Scouts, of all organizations, because it is violating his rights as a homosexual. Now, can you imagine that any Bill of Rights would get down to that level to that is a reflection of entrenched Bill of Rights.

Now, Mr. Speaker, that is not our tradition, our tradition is the British tradition where rights are in the hands of legislators and in the British tradition, that is where they properly should be.

Mr. Speaker, I am running out of time. I had many more points to cover. I obviously will not have to time to cover them all, but I will have an opportunity at another time. But I will speak to our debt which is in the amendment.

I would like to point out, firstly, that the federal contribution to our revenues runs about 49 per cent and the provincial contribution to our revenues runs 51 per cent. If you just use it on current account it is 48/52 but in total, if you combine capital and current, it is 49 per cent from federal sources, 51 per cent from provincial sources. Now, Mr. Speaker, I do not mean to imply by that that the federal sources are too high. What the problem is, the provincial sources are too low. We are not getting the revenues from our economy that we should. And this is the whole thrust of this government. Our thrust is to increase our provincial economy primarily, of course, as I mentioned before, primarily through the development of our natural resources so that that proportion will become more like other provinces. The federal contributions to this Province are not gifts to us. This is a view that, you know, we get from the federal government. What we get from the federal government is what our due is, that if any other province was in our position they would get exactly the same thing. We are not getting any extra

DR. J. COLLINS: benefits and we are striving to get away from that situation. We want to pay our own way. We want to develop our natural resources and our economy to the extent that that 49/51 will not pertain in the future.

Mr. Speaker, one last point. Our public sector debt, that is all our debt, our direct debt plus our guaranteed debt, has been increasing in the last four years in the order of between 6 and 7 per cent. Now, hon. members know that the inflation rate is a great deal higher than that. So this means that relatively speaking we have a cap, we have a control on our public sector debt. It means that relatively speaking we are improving our situation and our situation is not worsening. And with those few words, Mr. Speaker, I say that I will vote against this amendment and I will vote for the main motion.

MR. CHAIRMAN (Butt): Is the House ready for the question on the amendment?

MR. T. BENNETT: Mr. Chairman.

MR. CHAIRMAN: The hon. member for St. Barbe.

SOME HON. MEMBERS: Hear, hear!

MR. T. BENNETT: Mr. Chairman, I would like to have a few comments on the Budget. I would like to refer to it as the biggest Fudge-it.

MR. HOLLETT: Not a Budget, but a Fudge-it. Yes, that is right.

MR. T. BENNETT: I think that is a common word in Newfoundland, where we have to fudge. And to me when I opened very early in - as I turned the pages of the Budget Speech and I realized the social sector and the general government sector in total is 82 per cent of our total expenditure in this Budget, the resource sector being only 18 per cent of our total expenditures, that is the resource sector only 18 per cent, I suspect that this is

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MR. T. BENNETT: an indication of a social welfare government Budget and basically, Mr. Speaker, this is what I find it to be, basically a social welfare budget. When I happened to pick up a copy of the 1972 Budget and I look on page five and I see such things written by the new Tory administration at that time, and it goes like this: It says, 'In a six year period, from 1965 through 1966, to 1971 and 1972, it appears that the former Liberal administration completely disregarded any semblance of financial sanity.

MR. TULK: Who said this?

MR. BENNETT: They go on to say the total debt of the Province rose from what was already a national high of \$607 per person, per capita, to \$1,955 per capita in that six year period. In the last eight years, since the Tories took power, that has escalated, Mr. Speaker, I think in the area of \$5,000 per capita. It is \$3.2 billion right now, \$3.2 billion. And Mr. Speaker, in those six years when we escalated our per capita debt from \$674 to \$1,955 per person, there was all kinds of activity in the Province. There was no way that a person could be unemployed. There was ample employment for everybody. Everything was going great guns. We were building trades schools, we were building a network of transportation throughout the Province, high schools.

MR. TULK: What period?

MR. BENNETT: In the period from 1965 to 1972 our debt then reached to \$1,955, and according to the Tory budget in 1972, that was an escalation in the provincial debt. Now they are gloating in success when they have, Mr. Speaker, taken the reins of power and escalated that debt out of all proportion.

MR. TULK: Tripled it.

MR. BENNETT: It has quadrupled, Mr. Speaker.

MR. TULK: Quadrupled, yes.

MR. BENNETT: It has more than quadrupled because we did go from a provincial debt of \$750 million at that time to now in excess of \$3.2 billion.

MR. TULK: And nothing to show for it.

MR. BENNETT: And if we had anything to show for it, Mr. Speaker, we would be supporting this government's efforts. Mr. Speaker, very little do we see, very little do the people of this Province see. We cannot have money for high school construction. We have not got money for fishery development in our - if we did have offshore jurisdiction over the fishery we would not be able to manage it, Mr. Speaker.

MR. STAGG: What about the \$430 million (inaudible)?

MR. BENNETT: Mr. Speaker, the hon. gentleman

MR. BENNETT: for Stephenville (Mr. Stagg) will have his opportunity to speak in this debate. I would hope that the hon. gentleman would then refer and explain to this House of Assembly where all this excess spending has gone. On top of escalating the provincial debt out of all proportion, Mr. Speaker, we have increased our taxes onto the backs of people, we have increased our borrowing, our tax structure and our grants from Ottawa, three of the main sectors of the source of cash flow into the Province. And, Mr. Speaker, on top of that, while we continually, or at least this government continually flogs Ottawa and cries, 'Shame on Ottawa', fed bashing, this government continually does this, it is interesting to note that along with all the money that comes down from Ottawa in equalization payments, also comes down the old age pensions, Mr. Speaker, family allowances, unemployment insurance -

SOME HON. MEMBERS: Oh, oh!

MR. BENNETT: Now, if you fellows want to debate across the House you fellows better take the floor and I will sit down. Other than that you are going to have to be quiet and I will have my few minutes.

MR. SPEAKER (Baird): Order, please!

MR. BENNETT: However, Mr. Speaker, we are overlooking the benefits derived from Ottawa in old age pensions, family allowances, unemployment insurance, special grants to various municipalities, community development, all the Canada Works. We are also overlooking, Mr. Speaker, like the hon. Minister of Finance (Dr. Collins) just said, 49 per cent of this budget is federal dollars.

MR. TULK: More than that.

MR. BENNETT: He just said it, 49 per cent.

MR. STAGG: Well, it is not accurate.

MR. TULK: Well, we know the Minister of Finance is not accurate.

MR. BENNETT: Well, the minister just referred to it as being 49 per cent, Mr. Speaker. And it is interesting to read this and I would suggest that all hon. gentlemen in the

MR. BENNETT: House of Assembly should take some of the budgets that were prepared in the period of the Liberal Administration and compare it with budgets that have since been prepared, since 1972 and then they would be prepared, Mr. Speaker, to speak on the budget.

I heard a curt remark a few days ago, Mr. Speaker, when some hon. gentleman suggested that Newfoundland should not forever and a day continue to run up to Ottawa with a little tin can.

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MR. BENNETT: A little tin can, I doubt -

MR. STAGG: (Inaudible) talking about the little tin pot tyrant.

MR. BENNETT: - Mr. Speaker, will not hold the revenue in million dollar bills that this Province has been able to receive from Ottawa.

MR. TULK: A half million dollars or more.

MR. BENNETT: If we are going to get technical as to where money comes from, I also have heard curt remarks related to Ottawa inflicting its desires upon the Treasury or the resource of this Province, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

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

MR. BENNETT: And we get into a discussion about offshore, and those who stand to derive or make money from the offshore development, well, Mr. Speaker, I would like to suggest, and I may tramp on a few corns, but I would like to suggest that without having flogged the economy of the Province down through a good number of years that we had a St. John's, without the dollars, the cash flow into the capital city of St. John's from around the Province through the fishery and whatever industry that might have been developed, some of the hon. gentlemen of the Province would not be able to participate actively in reaping the benefits from offshore because they certainly would not -

MR. TULK: Parasites. Parasites.

MR. BENNETT: - have the financial base having been built up from the resources of the Province down through the years, that would be fifty, sixty, seventy, or a hundred years that the Province existed.

MR. STAGG: (Inaudible).

MR. TULK: Even if you did you would not understand it. Be quiet!

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MR. BENNETT: Well, you will find it in Hansard.

MR. WARREN: Close up, close your mouth, boy.

MR. STAGG: (Inaudible) it again.

MR. BENNETT: The government seems to be so ambitious to manage our own resource -

MR. WARREN: (Inaudible) forty thousand dollars.

MR. TULK: Forty thousand for the like of that.

MR. BENNETT: I wrote a letter to the Premier, well, three weeks ago, before Easter, -

MR. TULK: You did not get an answer, did you?

MR. BENNETT: I did get an answer today.

MR. TULK: Did you? Before Easter.

SOME HON. MEMBERS: Oh, oh!

MR. BENNETT: The content of my letter to the Premier was a request that I would sit with the Premier for ten minutes, I would not take up much of his time, but I would like to explain to the manager of this Province, the Premier of this Province, the government, I would like to explain some of the resource we presently have in the district I represent -

MR. TULK: Worse than J.R.

MR. BENNETT: - that this government could develop.

MR. NEARY: Right from Dallas.

MR. BENNETT: They do not necessarily need to develop offshore either in the fishery or oil or any offshore development, they do not necessarily need to do that, if they would only, Mr. Speaker,

MR. BENNETT: in my district, especially, develop the resources they have control over, the timber, tourist development, arable land all the various things that are under the jurisdiction of this government, that they seem to turn a blind eye to and never seem to be able to get a handle on. All the Premier said to me in the letter was more political rhetoric about offshore resource development and we would be a have province if we had control and management of all this resource.

MR. TULK: There is only one minister over there.

MR. STAGG: (Inaudible) hard case.

MR. BENNETT: Mr. Speaker, I take exception, I do not agree with the Premier on those remarks because I have seen so many things closed down since this government came to power. They have not been able to manage a community pasture in my district, they cannot manage a forest industry in my district, Mr. Speaker, they cannot manage the inshore fishery, the licencing onshore, but they continually flog Ottawa on offshore licencing.

MR. TULK: Yes, they would like to have control of that

MR. BENNETT: They cannot manage any of the resources at their disposal, and I say any of them, I have yet to see any of the resources. They cannot manage -

MR. TULK: Now that is a good point.

MR. BENNETT: - the NAPE dispute. Now they are in trouble with the teachers' dispute. They are going to have many, many more negotiations on their table that they are not going to be able to handle. They have sloughed off all the responsibility that government is expected to live up to. They have formed executive committees or committees around the Province and various organizations and expect those to run the affairs of the Province, the Rural Development Associations, school boards.

MR. BENNETT: All of this , Mr. Speaker, have been put in place to run the affairs of the Province and we still will not need a government. So community councils impose taxes and the government does not need money any more for communities. In tiny communities the government does not need money any more for community councils. If we inflict taxes on the people's backs in those rural areas, Mr. Speaker, there is no reason -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Mr. Baird): Order, please! The hon. member for St. Barbe has the floor.

MR. TULK: Name him, Mr. Speaker, name him.

MR. BENNETT: - there is no reason the government needs to be in place any more,

MR. BENNETT: this Province can, Mr. Speaker, be run now by organizations and committees around the Province and the government can be relieved of their duties. They are not doing anything in rural Newfoundland and I cannot, for the life of me, see very much that they are doing in urban Newfoundland, but certainly urban has a better tax base from which to draw their funds for administration. They are continually flogging jurisdiction, offshore rights, mineral rights, what have you, and -

MR. TULK: I know what he does in urban Newfoundland.

MR. BENNETT: - if, Mr. Speaker, for argument's sake, they were given, even if they were given shared jurisdiction over the fishery which they have changed from total jurisdiction to shared - now it is shared jurisdiction, they have changed that.

MR. TULK: Oh, yes, they ran away from that.

MR. BENNETT: I wonder, Mr. Speaker, if Ottawa were taken out of the picture with the fishery -

MR. TULK: Starve, they would starve.

MR. BENNETT: - where would Labrador come in? Where would Labrador come in? How long will Labrador be part of Newfoundland if this government continues to abuse and neglect and pay no attention to it whatever, just continually reap the harvest from the Labrador people and not even build a road fit for them to walk on? They are ignoring them totally and entirely. I am wondering, Mr. Speaker, if this government had jurisdiction over the fishery, would the people of Labrador be allowed to fish in Newfoundland waters? It is a question I think that should be answered before they get jurisdiction over the fishery. If we do not get to provide more of these services to the Labrador people, Mr. Speaker, we might find a lot of discontent and, indeed, a desire to separate, a stronger

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MR. BENNETT: desire to separate from the Province.

MR. STAGG: You have already said it.

MR. WOODROW: You said it before.

MR. TULK: You probably will, you probably will.

MR. BENNETT: The Province (inaudible) organization they have provided. They have provided -

MR. STAGG: (Inaudible).

MR. BENNETT: - they have provided -

MR. TULK: (Inaudible) probably will.

MR. BENNETT: - many things in the Province -

MR. SPEAKER (Simms): Order, please!

MR. BENNETT: - on the Island portion, and they have neglected so sorely the Labrador portion.

Now, Mr. Speaker, if this government continues, if they continue the Ottawa bashing, and if they continue to depend on getting offshore resource, if this government continues their attitude to offshore development and the greed and all the corruption and graft that has just come out in this report here today in the House of Assembly, I must say, this Mahoney Report, Mr. Speaker, you know, I would be afraid to trust this government with the development of offshore having seen small portions of the Mahoney Report. Now, Mr. Speaker, if this government is left to develop offshore minerals, if they are left to develop offshore, already we have been working on this for ten years, the development of offshore, the drilling, by the time this government makes up their minds that they are going to develop, I doubt, Mr. Speaker, if we are going to need as much of that resource. Already -

MR. STAGG: I will send (inaudible) if you keep talking like that.

MR. BENNETT: You may not get the chance, I will send it out myself. I usually let my people know what is happening in the House of Assembly. However, Mr. Speaker,

MR. BENNETT: if we continue to hold up production on offshore, Hibernia, if we continue to hold up production, we are going to have a lot of competition from other countries that are finding oil. They are looking for oil and they are finding it. They are drilling for it all over the place. When we could buy from the Middle East for 50¢ a barrel, \$1.50 a barrel or even \$2.50 a barrel, Mr. Speaker, we just could not afford to go look for oil in our country and I do not think many other countries could afford to do it either. When we could buy it for that price we were very happy to buy it for that price and not go to the expense of exploration and drilling. If we continue the lack of development, we are going to have competition from other countries in the oil development. Already Venezuela has dropped its price per barrel by \$3.50 below world prices. Not only are we going to have competition from fossil fuels, Mr. Speaker, but we are also going to have it from solar, we are going to have it from wind, all the various -

MR. STAGG: The same argument (inaudible) give away Churchill Falls - the same argument.

MR. SPEAKER (Simms): Order, please!

MR. BENNETT: - all the other various sources of energy, Mr. Speaker, the oil we have will not be of such extreme importance to us. If this government continues to hold up production, we may not need it. We are talking about utilizing the tides and the rivers and the wind and the sun and all the various energies that could be at our disposal including wood. We have all kinds of programs by federal government like Retro-Fit and CHIP. We have all kinds of programs coming on stream and coming in place, Mr. Speaker, to make smaller cars, burn less fuel on the highways, continually. And the Middle East, I understand, the Egyptians over there, some of these people in the Middle East, I am not quite sure who, the Arabs

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MR. BENNETT: are stockpiling millions of barrels, stockpiling it to flood the market eventually when our Tory government has sat still and let all this happen without being aware of what is going on around them. And ten years from now, Mr. Speaker, we may not need all this offshore oil. For argument's sake, if and when this government gets total and entire control like they wish to have

MR. BENNETT:

of offshore development, and they get control of the fishery off there, we may not need Ottawa, Mr. Speaker, if all of this resource becomes available to us, like the people in the Province are being led to believe. The people of the Province, Mr. Speaker, are being led to believe that we will not need Ottawa. Now I beg to differ. I would rather be part of the Confederation of Canada than be a colony like I grew up in. Very few men in this House of Assembly, men and women in this House of Assembly - you can count them on one hand just about - who went through very much hard times during the depression years before 1949. And most of the hon. gentlemen in the House of Assembly who are of St. John's extraction, they certainly did not see the rough times that a lot of rural Newfoundland experienced. And I can understand why we would have eight or ten anti-Confederates in our government at this time. I can understand it because they do not know the difference. They do not recognize the difference in life in Newfoundland with our thirty-some years of Confederation as opposed to the hundreds of years without Confederation. And to me it is one of the blessings of our day to have come into Confederation and, I think, our people are beginning to bear the fruits of it.

I feel, Mr. Speaker, that if a Liberal government had stayed in place in Newfoundland and made the progress that they were making in the twenty-two or so years of the Liberal Administration, we would have had a reasonably good economic picture in the Province now. I think that our economy would have been better developed. Within families, Mr. Speaker, there is always give and take. And I know, I realize that we have been on the taking end long enough and it is about time, Mr. Speaker, that we were anxious and eager to be on the other side of the coin where we could help to contribute to the Canadian economy but at the same time be self-sufficient ourselves.

AN HON. MEMBER:
as Town Manager.

You should have stayed out in Dildo

MR. BENNETT: Well, you know, Mr. Speaker, I could ramble on in comparisons, making comparisons between the Liberal Administration for the twenty years and now we are heading now into nearly ten years of Tory Administration but there are a few other things that, while I have the opportunity to remark, I would like to touch on, Mr. Speaker, and it could be all relative to the budget. A few days ago I was having calls from my district - I have not had one in a couple of days - but, Mr. Speaker, the people in my district, I think, like most of the rest of the Province, are presently having a lot of their mortgages readjusted and a lot of them are NLHC mortgages, NLHC. I have one in particular that I will make note of here, that I will comment on.

Mr. Speaker, before the revision, or before the five year term elapsed -

AN HON. MEMBER: NLHC mortgages?

MR. BENNETT: Yes, NLHC mortgages. I would like, Mr. Speaker, for this government to take a real hard look at what is happening to the people of this Province with regards to the mortgages on their homes. I had a call from constituents of mine who were paying - and finding it difficult mind you - who were paying \$139 a month on their mortgage. Now they have been given notice by NLHC their mortgage is going to be \$341, a \$202 increase. Mr. Speaker, they found it difficult at \$139 and now they are going to be expected to find \$341. Now, I suspect that this is the trend around the Province and this is what is happening with the NLHC houses that are financed by that organization. And I think that the government should take a real hard look at it and determine - I am not suggesting that this particular party that I am referring to will find themselves on welfare, but they most certainly will have to find themselves into another home. They have a nice home and they work hard, and both parties in the house work and

MR. BENNETT: both of them contribute to their budget. But they may be forced out of their home. Now this is very unfortunate. And I believe, Mr. Speaker, that there are a good number of people around the Province who are getting the same treatment and this government is sitting on its hands, gloating at its glory because there happens to be offshore oil that might come on stream ten years down the road, if they get some help from Ottawa to develop it.

SOME HON. MEMBERS: Oh, oh!

MR. BENNETT: Now, I think it is about time, Mr. Speaker, that this government took a look at some of the things that are closer to home. I do not think that at this stage of the game that we are getting there, or at least the man on the street, Mr. Speaker, is getting enough revenues from the development of oil that we should place all of our emphasis, all of our discussions, all of our priorities in that line, that trend of thought, that form of debate, or that we should be budgeting for all of - leaning entirely on offshore resource. A few days ago I had a call from a gentleman who is on the Labrador, a salesman - and I mentioned this in our estimates. And I find, Mr. Speaker, that we - I realize now that we do not get copies of the estimates that we debated, that we discussed. We do not get copies of that until after the House closes. And I would like to have had copies of that because there are some things pertinent to my district, like the roads, like the fishery -

MR. STAGG: Like Air Canada.

MR. BENNETT: Like Air Canada, like EPA wanting to pull out of Deer Lake. There is quite a lot. So it is unfortunate that we cannot get the copies until - they are not available, not readily available until after the House closes, which is unfortunate.

MR. STAGG: You said the same thing this year as you said last year.

MR. BENNETT: The gentleman called me from Labrador, and he was very disturbed, telling me that many other salesmen were up on the Labrador at the same time, the first time the ferry crossed, and gas tanks and side axles and tires were being ripped to

MR. BENNETT: pieces up there on that road, it was disgraceful. And this gentleman was telling me that the road that they were obliged to drive over, Mr. Speaker, the road they were obliged to drive over to make a livelihood and deliver goods down in Labrador, Bowaters would have condemned years ago, Mr. Speaker, they would never have used such intolerable, disgraceful roads. They never would have used them. So I want to take from Hansard, Mr. Speaker, and mail to these people who called me from Labrador at their expense - they asked me to bring up in the House of Assembly, they asked me to bring up in the House of Assembly, they asked me to ask this government to show compassion towards the people up there who have to make a living in that area -

MR. STAGG: (inaudible)

MR. BENNETT: - people who are taxpayers and voters, and human beings. In my opinion, Mr. Speaker, this government has taken them for granted, doing so very little to help them. They have to come into Newfoundland for most of the things that they require in medical services, supplies, and many, many other forms of service. Mr. Speaker, this government continually flogs Ottawa, they continually abuse Ottawa, they seem to have no kind of respect. Now, in my opinion, Sir, one of the many things that Ottawa has accomplished for this Province is the 200 mile limit. And the 200 mile limit, Mr. Speaker, I feel, has done great things to nurture and upgrade and enrich the fish stocks of the Province. If only this government would recognize that, and appreciate a few of these things that have been accomplished by a co-worker, by a party in confederation, by a companion, which Ottawa is.

MR. TULK: (Inaudible)

MR. BENNETT: I feel more secure having few levels of government to work for me in the province of Newfoundland.

MR. BENNETT: I feel more secure having Ottawa than Newfoundland. I feel more secure knowing that the elderly of this Province will be taken care of, knowing that the children will get their family allowances, they will not be cut off, their \$200 mothers' allowance, as this government did when they came to power.

MR. BENNETT: I feel more secure knowing that we have DREE dollars to turn to, Mr. Speaker. I feel more secure knowing that we can make up a budget and say, hon.gentlemen, we will get 50 per cent of all of our revenues from Ottawa in that budget, plus all the other benefits that come from Ottawa.

I would like to have time, and I realize the clock has not given me much time, Mr. Speaker, to touch on the property tax in the Province because I am not very happy with the property tax as it relates to rural Newfoundland, where we have not got a cash flow base to support it, where we have a high unemployment figure, and where we have not, in many places, got our services in place. Most of the places where services are provided, in rural Newfoundland at least, I think this goes for urban Newfoundland as well, most of the dollars have been brought down from Ottawa in the form of DREE monies, or community development projects, Now this government wants to place a tax on people's properties like in Trout River, like in Plum Point, like in River of Ponds, small communities that do not have a tax base, that do not have an income base, They have nice homes, they have worked hard, and their employment is seasonal, three months or four months of the fishery, Mr. Speaker, and they are expected to support their families and educate them, and now this government, in its wisdom or lack of it, wants these people to pay taxes on their properties before they expand or upgrade the services. We do not have the services to justify the implementation of tax on properties in these small communities.

In those small communities, Mr. Speaker, people pay enough tax on gasoline alone. The tax on gasoline alone

MR. BENNETT: - going to the government, Mr. Speaker, is more where these people have to go out for their services, like medical services, supplies, resource, more than most urban dwellers.

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MR. TULK: Adjourn the debate 'Trevor'.

MR. STIRLING: He is going to run out of time.

MR. BENNETT: Thank you ladies and gentlemen.

MR. TULK: Adjourn the debate.

MR. BENNETT: Mr. Speaker, I adjourn the debate.

MR. SPEAKER (MR. SIMMS): The hon. member adjourns the
debate. He has about one minute remaining.
The hon. President of the Council.

MR. MARSHALL: Mr. Speaker, I move the
House at its rising do adjourn until tomorrow, Tuesday, at 3:00
P.M. and that this House do now adjourn.
On motion the House at its rising
adjourned until tomorrow, Tuesday, at 3:00 P.M.